

2016

TELENOR GROUP – FIRST QUARTER

Sigve Brekke, CEO

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HIGHLIGHTS Q1 2016

A SOLID START TO THE YEAR

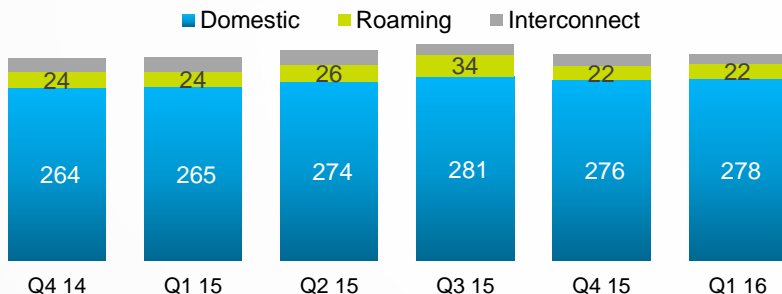
- 5.4 million new mobile subscribers
- 6% organic growth in mobile subscription and traffic revenues
- 5% organic EBITDA growth
- Operating cash flow of NOK 6.1 billion

REVENUE GROWTH IN NORWAY IMPACTED BY LOWER HANDSET SALES AND DECLINING FIXED LEGACY REVENUES

MOBILE

- 1% organic growth in mobile subscription and traffic revenues
- Lower handset sales volumes
- New tariffs launched - includes EU roaming

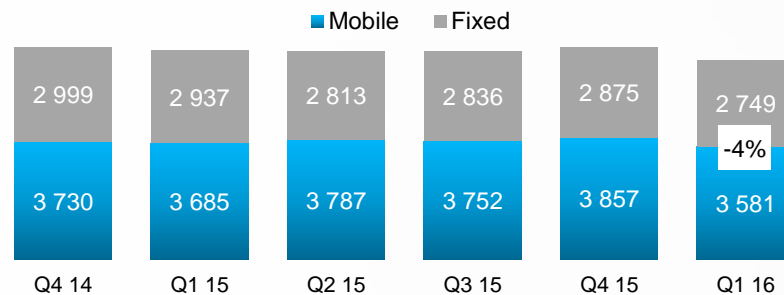
Mobile ARPU (NOK)



FIXED

- 6% revenue decline, primarily driven by telephony, ADSL and wholesale
- 12k new high-speed internet subscribers, compensating for ADSL decline

Revenues (NOK m)

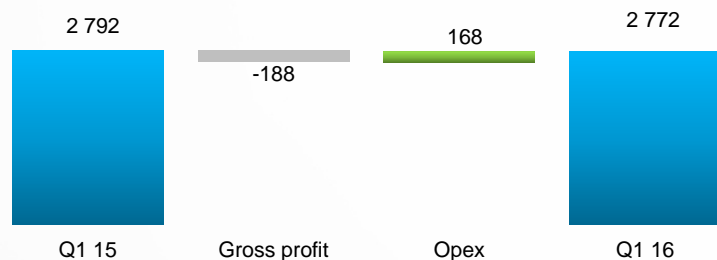


SOLID PROFITABILITY IN NORWAY, PROGRESS ON LONG TERM EFFICIENCY INITIATIVES

44% EBITDA MARGIN

- Mobile gross profit stable despite lower roaming and wholesale contribution
- Opex impacted by lower commissions and operation & maintenance costs

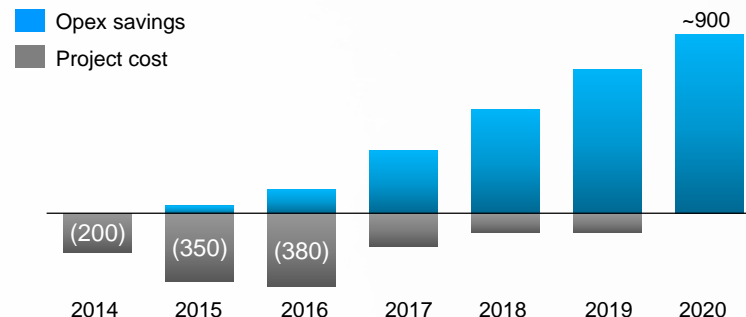
EBITDA development YoY (NOK m)



LONG TERM EFFICIENCY INITIATIVES

- Reduce complexity of products, processes and IT systems
- Scope extended to include cable operation
- Net positive effect from 2017

Long term efficiency programme (NOK m)

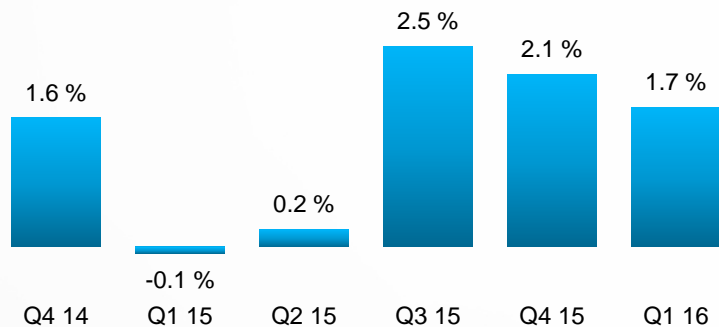


CONTINUED GROWTH IN CONSUMER MOBILE IN SWEDEN

MOBILE

- 2% organic growth in mobile subscription and traffic revenues driven by consumer
- 3k net subscriber growth
- Total mobile revenues impacted by handset sales

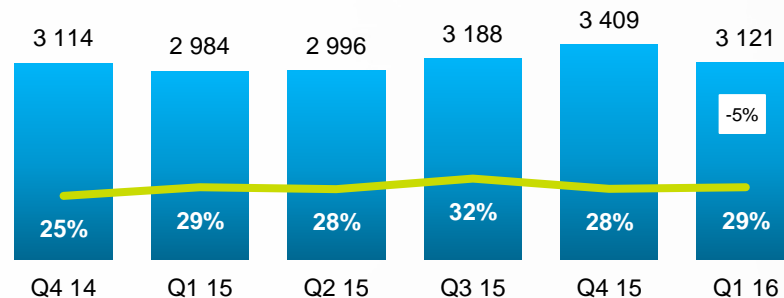
Mobile organic subscription & traffic revenue growth



FIXED

- 11k new high-speed internet subscribers
- Aiming to cover 500k new single dwelling households by 2020

Revenues (NOK m) and EBITDA margin (%)



CONTINUATION OF TRENDS IN OTHER EUROPEAN MARKETS

DENMARK

- Continued intense competition
- Launch of new business support system

HUNGARY

- Solid trends in postpaid consumer segment, offset by pressure in prepaid and SME

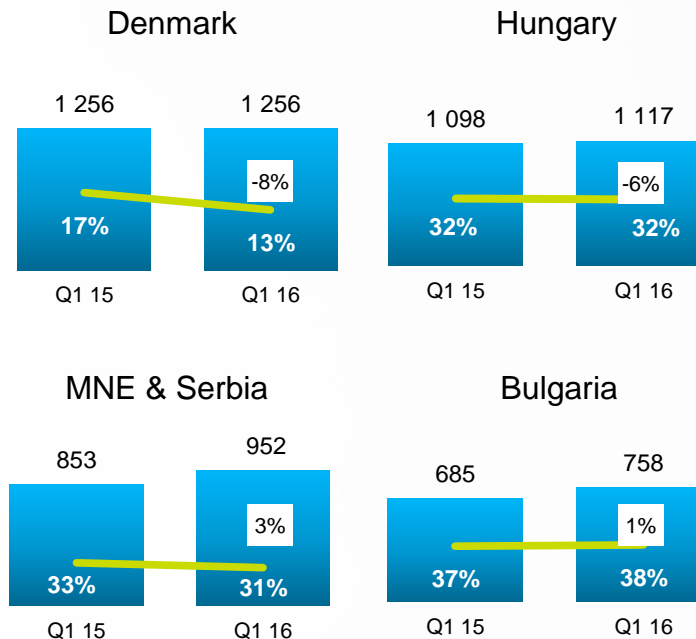
MONTENEGRO AND SERBIA


- 6% organic ARPU growth from increased IC revenues and higher postpaid share

BULGARIA

- Cost control supporting EBITDA margin

Revenues (NOK m) and EBITDA margin (%)



 Organic revenue growth

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

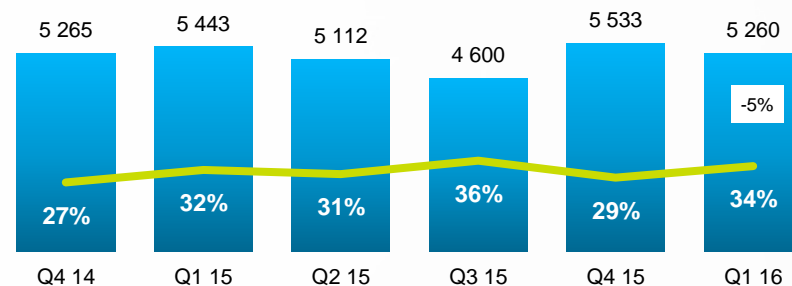
SUBSCRIBER GROWTH AMIDST INTENSE COMPETITION IN THAILAND

- 225k net subscriber growth
- 2% organic decline in subscription and traffic revenues
- EBITDA margin improvement from lower device subsidies
- 3G population coverage at 94%, 4G now in all 77 provinces
- Solid spectrum portfolio until concession expiry in September 2018

	concession ^{1/}		License ^{2/}	TOTAL
	850MHz	1800MHz	2100MHz	
2Q		10MHz		10MHz
3Q	10MHz		10MHz	20MHz
4Q		15MHz	5MHz	20MHz
TOTAL	10MHz	25MHz	15MHz	50MHz

^{1/} concession expires in 2018, excluding 20MHz of unused 1800MHz band.
^{2/} license expires in 2027.

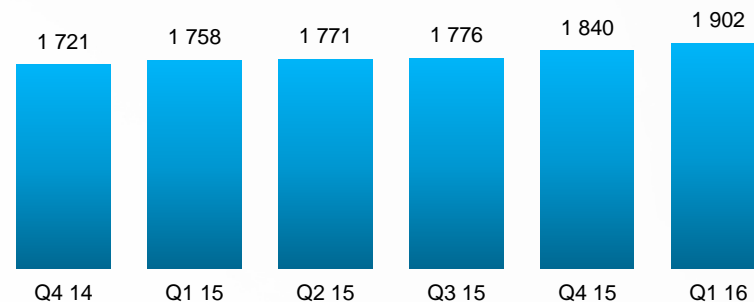
Revenues (NOK m) and EBITDA margin (%)



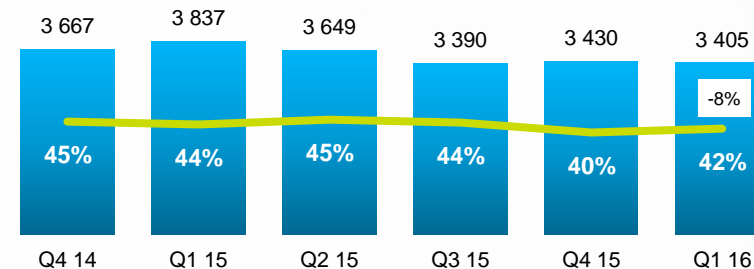
SOLID POSTPAID PERFORMANCE IN MALAYSIA

- 221k net subscriber growth and maintained market share in highly competitive market
- 2% organic decline in subscription and traffic revenues
- 7% organic growth in postpaid service revenues and stable postpaid ARPU*
- 3G/4G population coverage at 88%/73%
- EBITDA continues to be impacted by margin pressure on international traffic

Postpaid subscribers ('000)



Revenues (NOK m) and EBITDA margin (%)

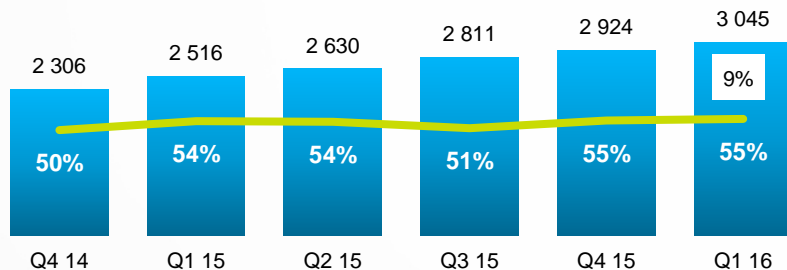


STRONG PERFORMANCE IN BANGLADESH AND PAKISTAN

BANGLADESH (GRAMEENPHONE)

- 12% organic subscription and traffic revenue growth
- 55% EBITDA margin
- SIM re-registration >50% completed

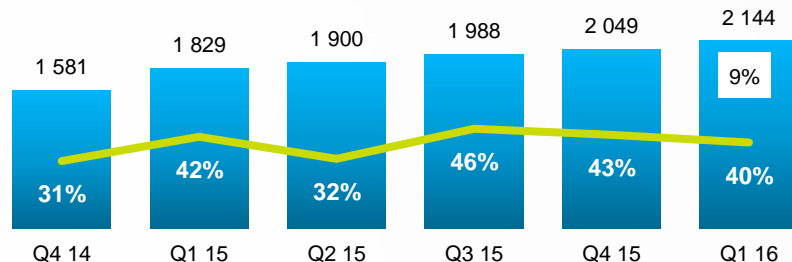
Revenues (NOK m) and EBITDA margin (%)



PAKISTAN

- 2.2 million net subscriber growth
- 2% organic subscription and traffic revenue growth
- 40% EBITDA margin

Revenues (NOK m) and EBITDA margin (%)



FIRST QUARTER WITH POSITIVE OPERATING CASH FLOW IN MYANMAR

CONTINUED SUBSCRIBER GROWTH

- 1.8 million net subscriber growth
- 52% active data users
- SIM market share estimated at 38%

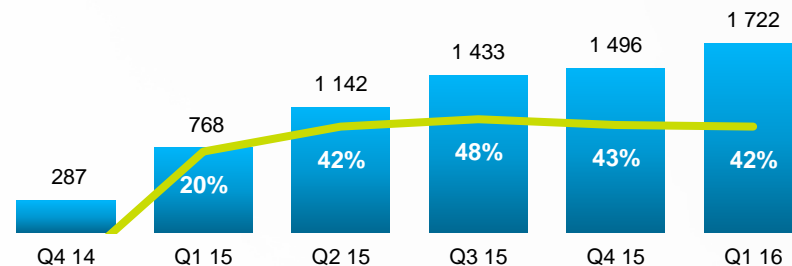
STRONG FINANCIAL PERFORMANCE

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

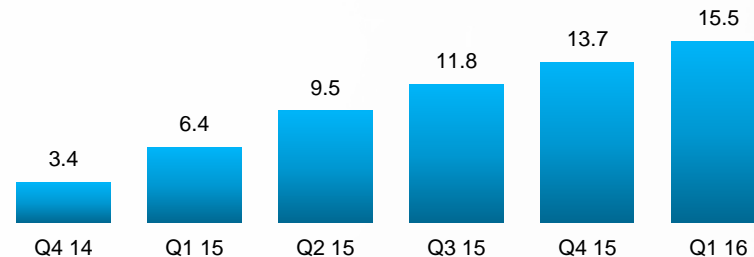
NETWORK ROLLOUT ACCORDING TO PLAN

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

Revenues (NOK m) and EBITDA margin

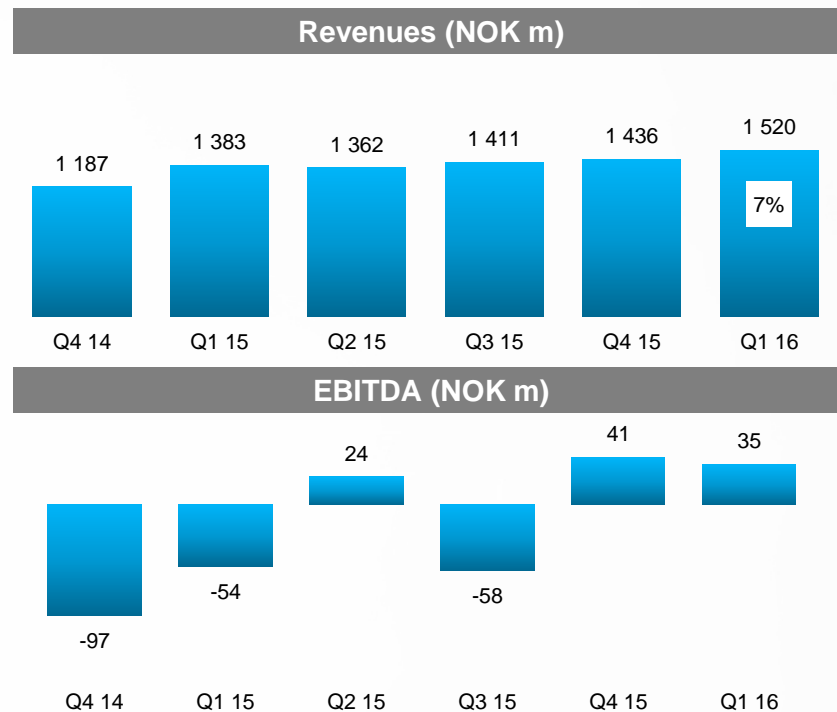



Subscribers (m)



CONTINUED SUBSCRIBER AND REVENUE GROWTH IN INDIA

- 1.5 million subscriber growth (+15% YoY)
- Total subscriber base of 44 million
- ARPU remains under pressure, with 8% decline YoY
- 9% organic growth in subscription and traffic revenues



 Organic revenue growth

CAPITAL MARKETS DAY

Date: 22 September 2016

Venue: London

SAVE THE DATE



2016

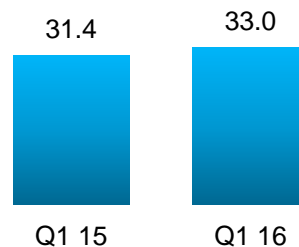
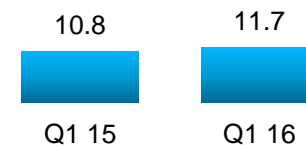
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Morten Karlsen Sørby, Acting CFO

FINANCIAL HIGHLIGHTS

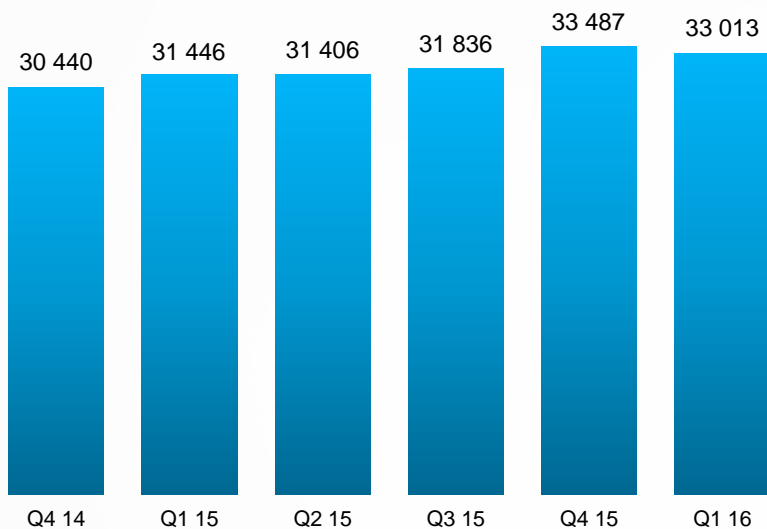
- 6% organic growth in mobile subscription & traffic revenues
- 35% EBITDA margin and 5% organic growth in EBITDA
- Operating cash flow of NOK 6.1 billion
- Outlook for 2016 maintained

	YTD
Organic revenue growth	1.5%
EBITDA margin	35.4%
Capex / sales	16.8%

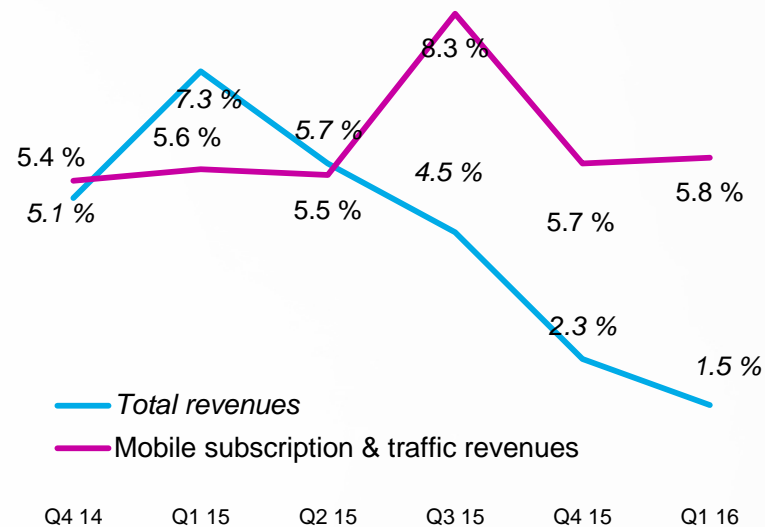
Revenues (NOK bn)

EBITDA (NOK bn)


ORGANIC REVENUE GROWTH SOFTENED BY LOWER HANDSET SALES

Revenues (NOK m)

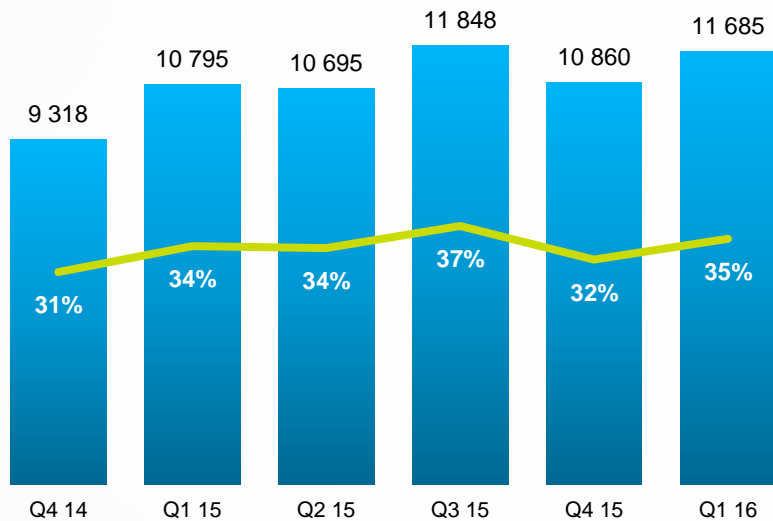


Organic revenue growth (%)

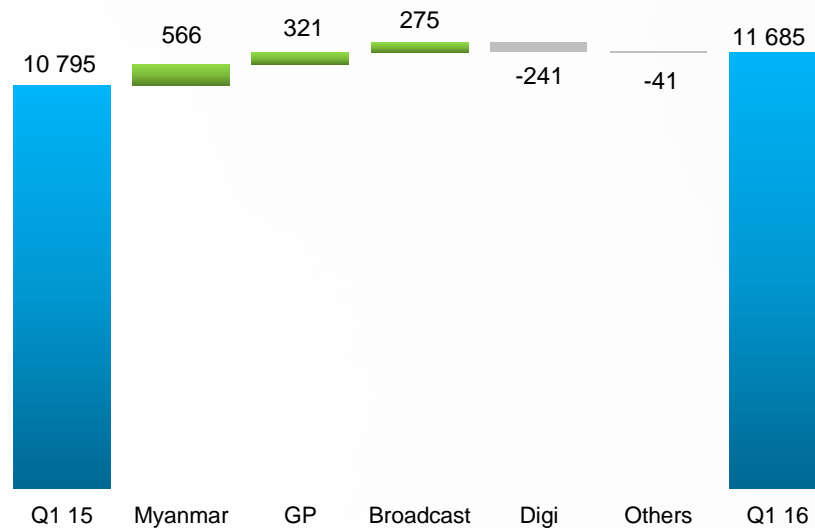


35% EBITDA MARGIN AND 5% ORGANIC EBITDA GROWTH

EBITDA (NOK m) and EBITDA margin

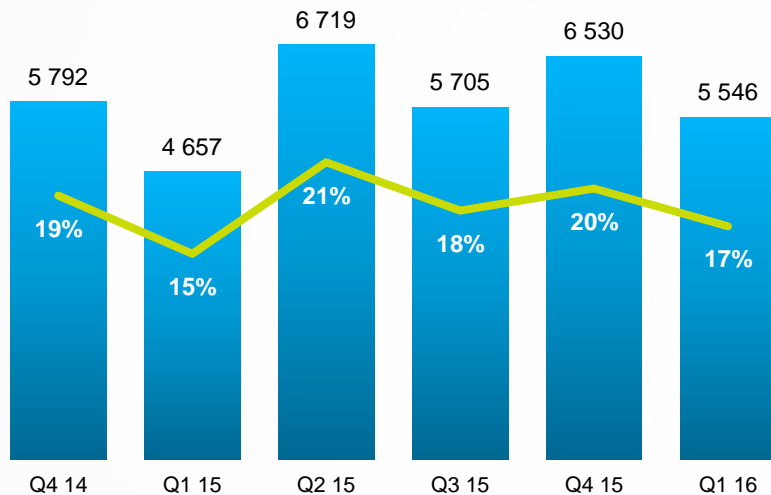


EBITDA change YoY (NOK m)

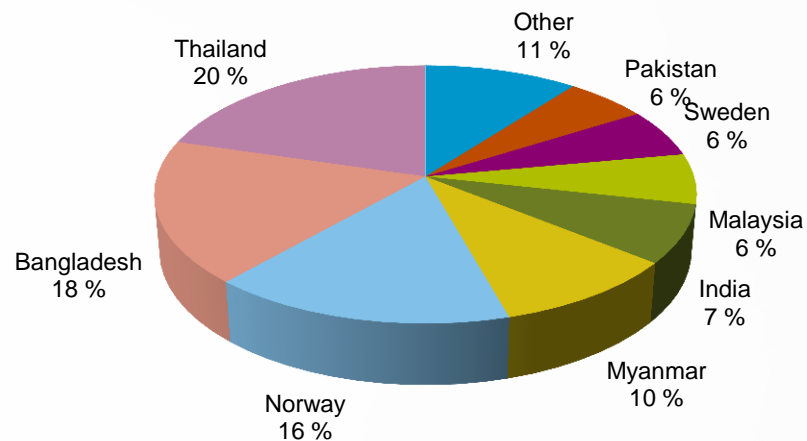


CAPEX OF NOK 5.5 BILLION

Capex (NOK m) and capex/sales

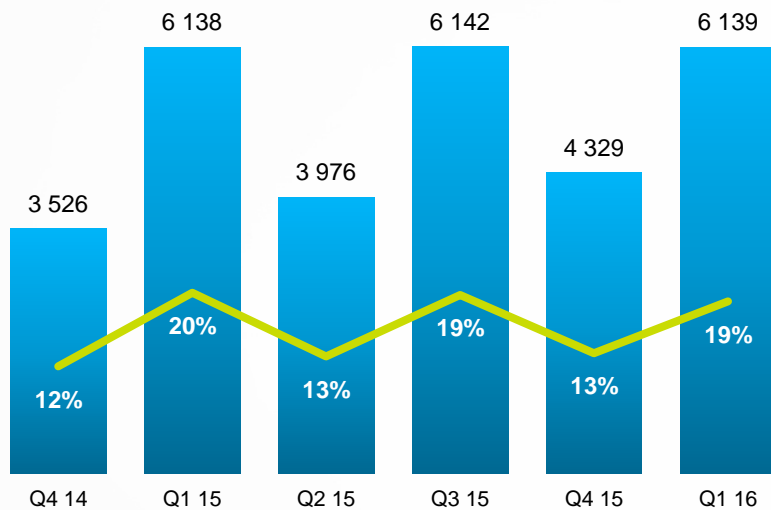


Capex distribution

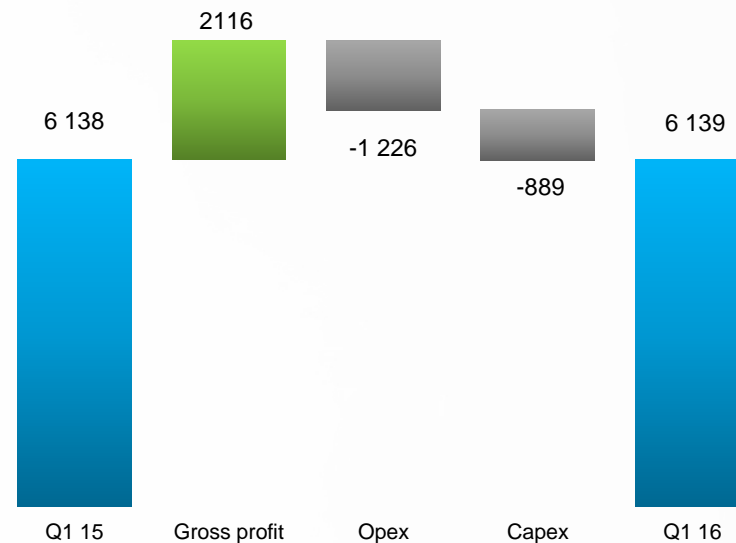


OPERATING CASH FLOW OF NOK 6.1 BILLION

OCF (NOK m) and OCF margin



OCF reconciliation (NOK bn)



SIGNIFICANT ONE-TIME ITEMS IN THE QUARTER

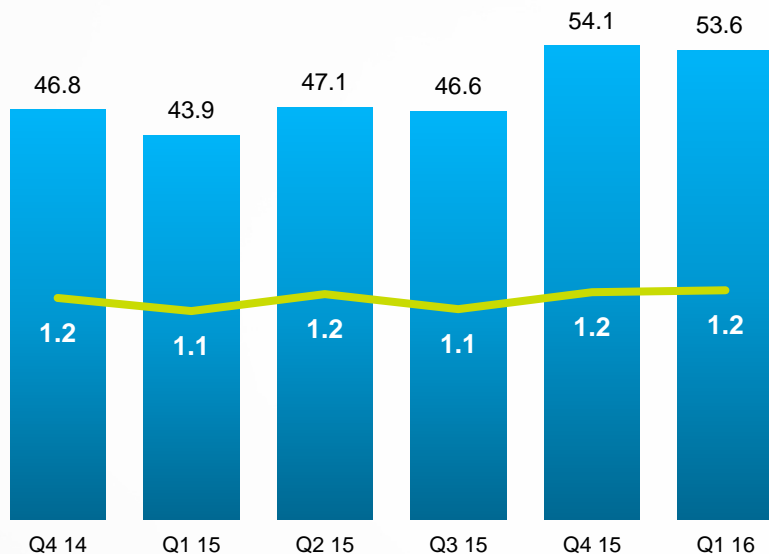
Issue	Account	P&L effect (NOK m)
Write-down of non-current receivables in India	Other items	-611
Impairment write-down India	Impairment	-2,302
Reversal of write-down of VimpelCom stake	Associated companies	+4,398
Impairment write-down in connection with sale of Amedia stake	Associated companies	-363
Partial repayment of net investment in Denmark and recycling of related OCI effects	Financial items	-577

NORMALISED NET INCOME OF NOK 3.6 BILLION

NOK m	Q1 16	Q1 15	
Revenues	33 013	31 446	Broadcast (+211m)
EBITDA before other items	11 685	10 795	
Other items	-691	-38	India (-611m), Norway (-77m), dtac (-37m)
EBITDA	10 994	10 757	
Depreciation and amortisation	-5 044	-4 180	• India (-2,302m), Broadcast (-128m)
Impairment losses	-2 430	-13	• VimpelCom (4 582m)
EBIT	3 520	6 564	• Amedia (-363m)
Associated companies	4 175	428	• Online classifieds (-46m)
Net financials	-1 008	-550	
Profit before taxes	6 688	6 667	Telenor ASA (-577m)
Taxes	-1 601	-1850	
Non-controlling interests	830	967	
Net income to Telenor	4 256	3 852	
EPS (NOK)	2.83	2.57	

NET DEBT OF NOK 53.6 BN AND NET DEBT/EBITDA OF 1.2X

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



Change in net debt (NOK bn)

Net debt 31 Dec 2015	54.1
EBITDA	(11.0)
Income taxes paid	1.3
Net interest paid	0.5
Capex paid	6.2
Investments in Tapad	2.7
Divi. paid and minority share purchase	0.7
Net revenue share dtac	(0.4)
Currency effects	(1.6)
Licence obligations paid in Myanmar	1.1
<i>Net change during Q116</i>	<i>(0.5)</i>
Net debt 31 Mar 2016	53.6

OUTLOOK FOR 2016 MAINTAINED

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

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

HIGHLIGHTS Q1 2016

A SOLID START TO THE YEAR

- 5.4 million new mobile subscribers
- 6% organic growth in mobile subscription and traffic revenues
- 5% organic EBITDA growth
- Operating cash flow of NOK 6.1 billion

The background features a blue gradient with faint, semi-transparent financial data visualizations. On the left, a line graph shows a fluctuating trend with a peak labeled '4.341'. Below it, a 3D bar chart shows several vertical bars of varying heights. On the right, a 3D pie chart is visible with segments labeled '08' and '09'. The year '2016' is prominently displayed in large, white, semi-transparent numerals across the center. Other faint numbers like '05', '06', '07', '08', '09', '10', '2.427', '5.321', '6.991', and '9.031' are scattered throughout the background.

2016

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204 4.341 05 06 07 08 09 10
2.427 5.321 6.991 9.031

2016

TELENOR GROUP – FIRST QUARTER APPENDIX

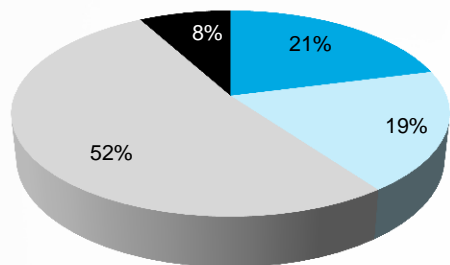


TELENOR GROUP

208 million consolidated mobile subscribers
Revenues in 2015: NOK 128 bn (USD 14 bn)
Market cap: NOK 202 bn (USD 22 bn)

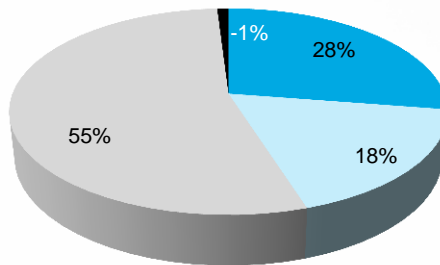
GEOGRAPHIC SPLIT OF KEY FINANCIALS 2015

REVENUES



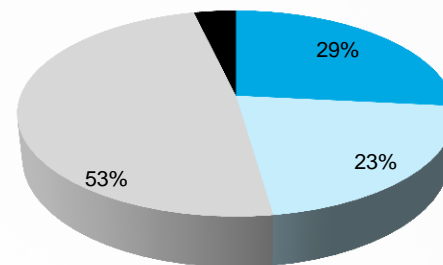
■ Norway ■ Europe ■ Asia ■ Other

EBITDA



■ Norway ■ Europe ■ Asia ■ Other

OPERATING CASH FLOW



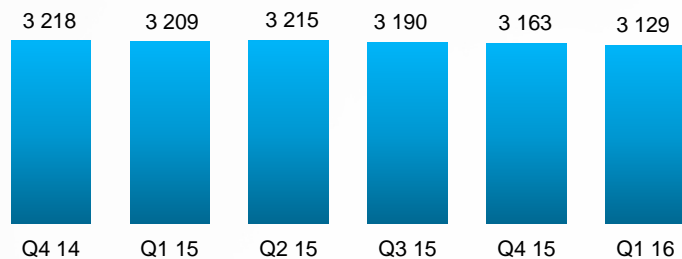
■ Norway ■ Europe ■ Asia ■ Other

PRIORITIES FOR CAPITAL ALLOCATION

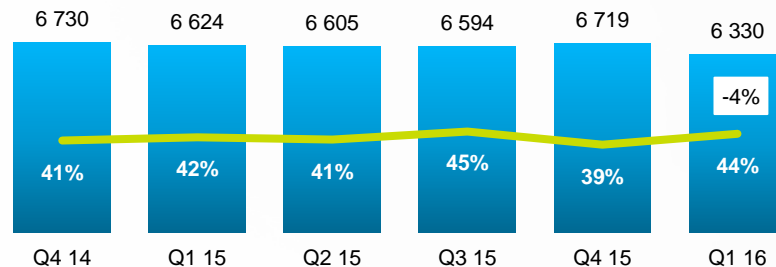
1	Maintain a solid balance sheet	<i>Net debt/EBITDA below 2.0x</i>
2	Competitive shareholder remuneration	<i>50-80% dividend payout of normalised net income Aim for YoY growth in dividends</i>
3	Disciplined and selective M&A	<i>Value driven, within core assets and regions</i>

NORWAY

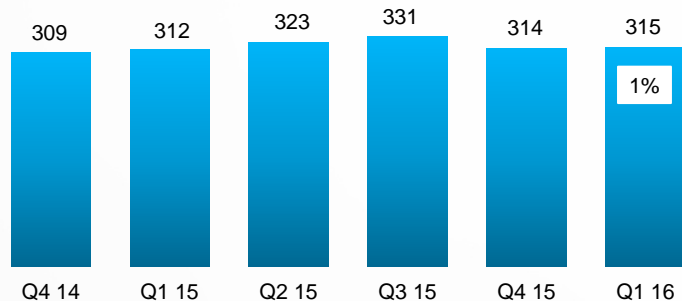
Mobile subscribers ('000)



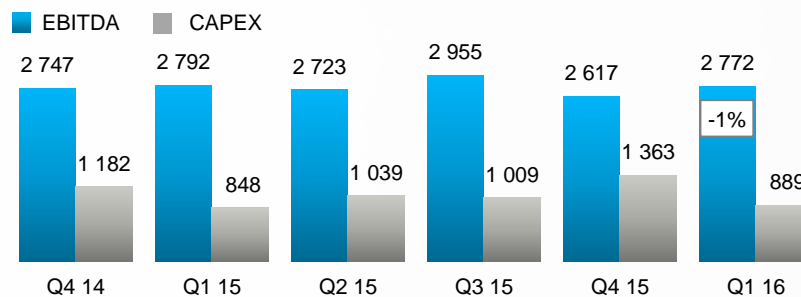
Revenues (NOK m) and EBITDA margin



Mobile ARPU (NOK/month)



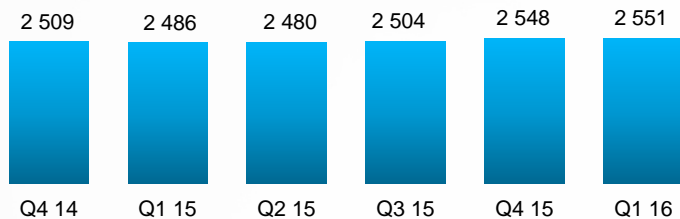
EBITDA and capex (NOK m)


 Organic growth

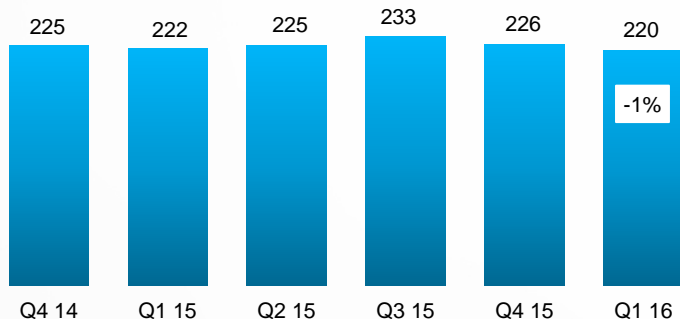
Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA margin before other items.

SWEDEN

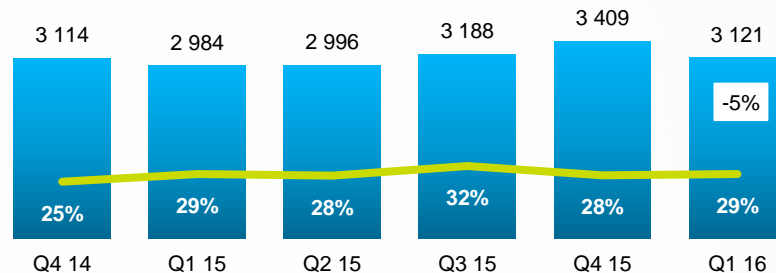
Mobile subscribers ('000)



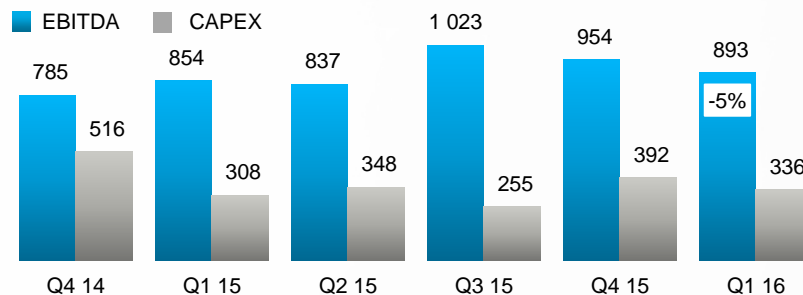
Mobile ARPU (SEK/month)



Revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)

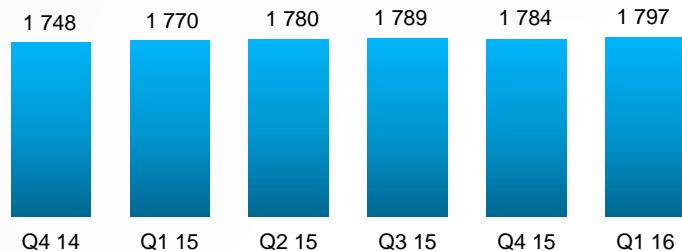

 Organic growth

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

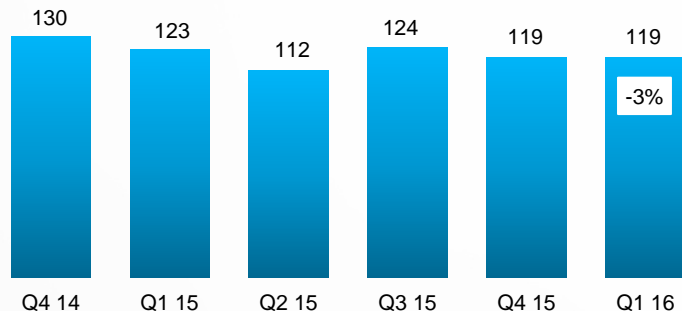
DANMARK

From 31 March 2016, pay-as-you-go cards will no longer be part of Telenor Denmark's product offering. Subscription and ARPU figures have been updated retrospectively.

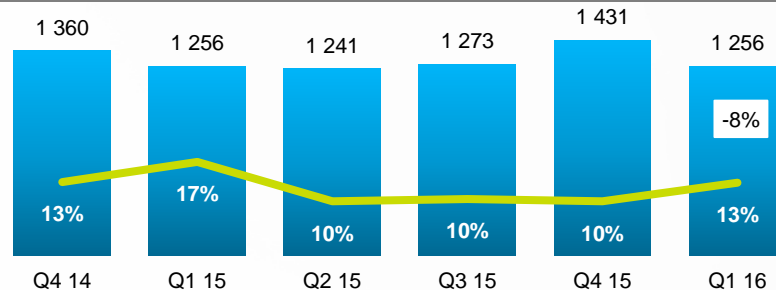
Mobile subscribers ('000)



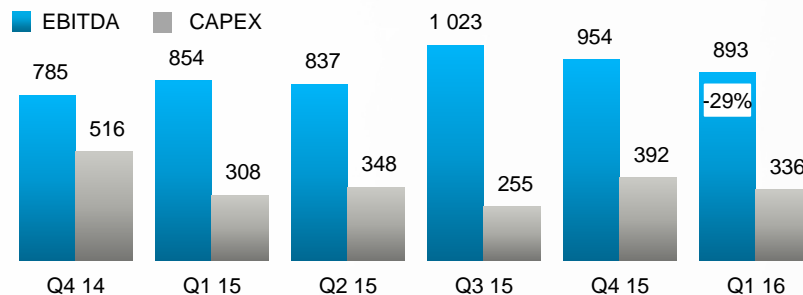
Mobile ARPU (DKK/month)



Revenues (NOK m) and EBITDA margin



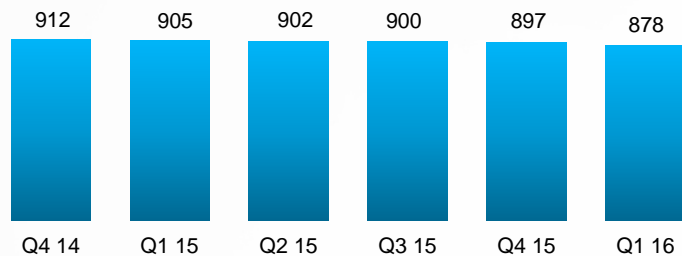
EBITDA and capex (NOK m)



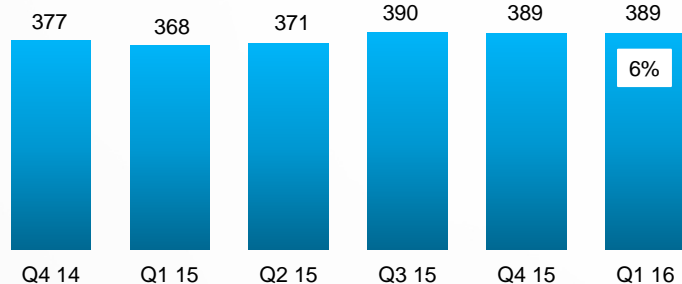
Organic growth

BROADCAST

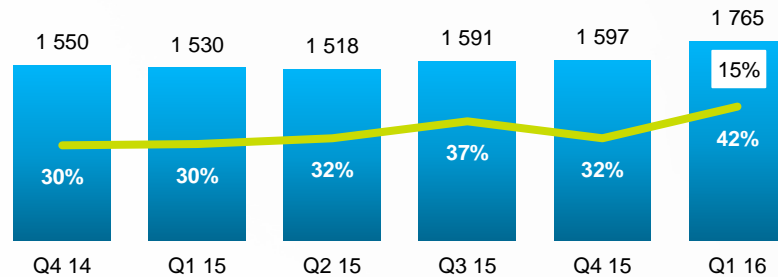
DTH subscribers ('000)



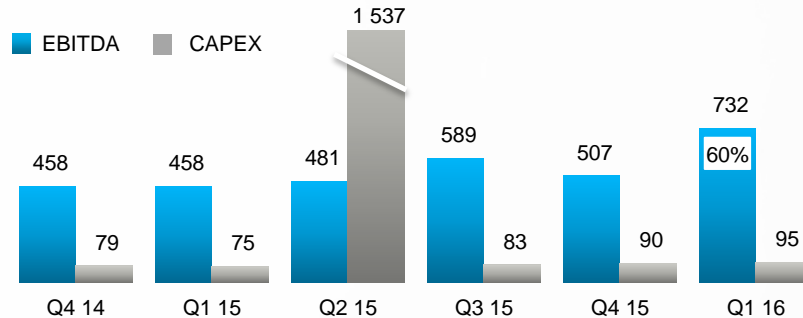
DTH ARPU (NOK/month)



Revenues (NOK m) and EBITDA margin



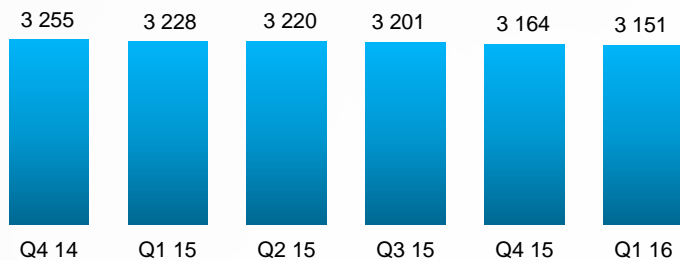
EBITDA and capex (NOK m)



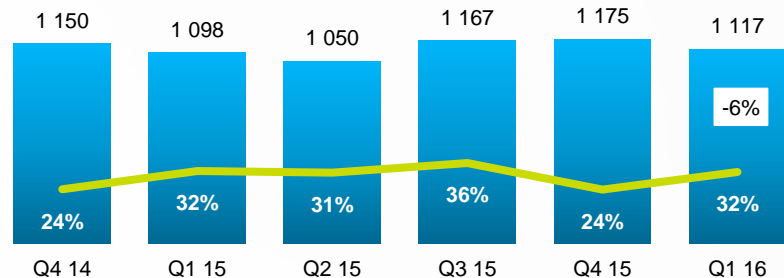
Organic growth

HUNGARY

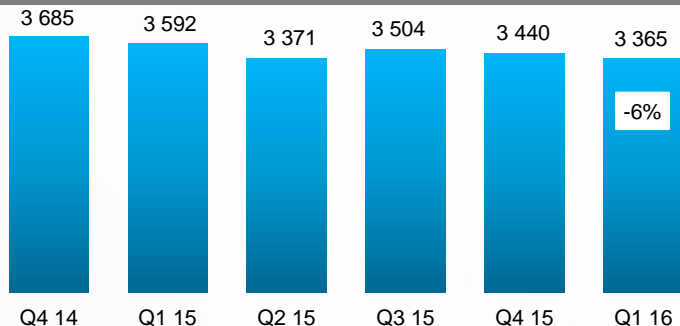
Mobile subscribers ('000)



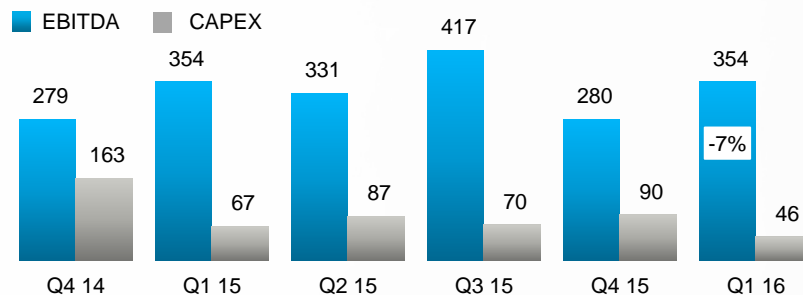
Revenues (NOK m) and EBITDA margin



Mobile ARPU (HUF/month)



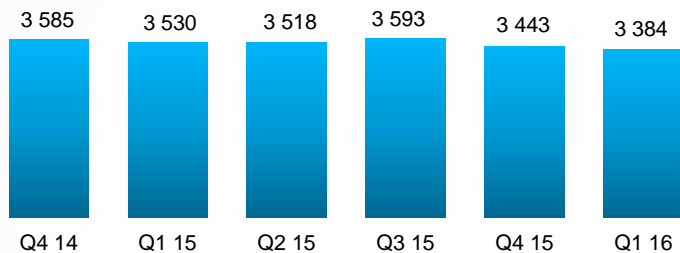
EBITDA and capex (NOK m)


 Organic growth

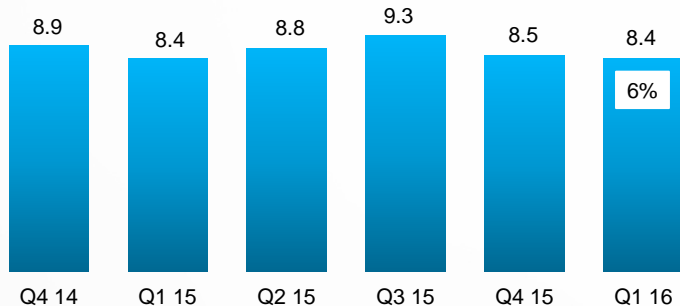
Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA margin before other items.

MONTENEGRO AND SERBIA

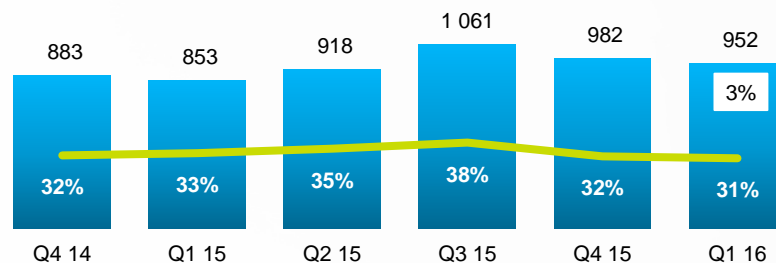
Mobile subscribers ('000)



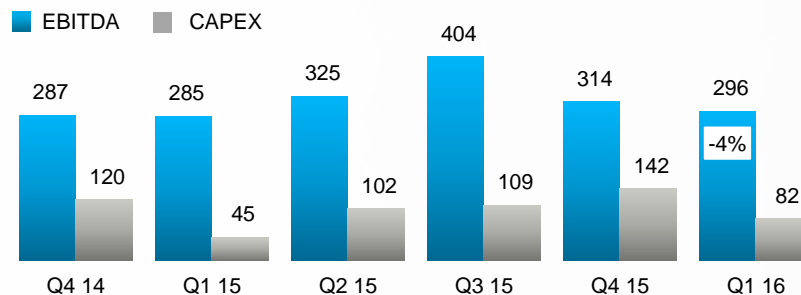
Mobile ARPU (EUR/month)



Revenues (NOK m) and EBITDA margin



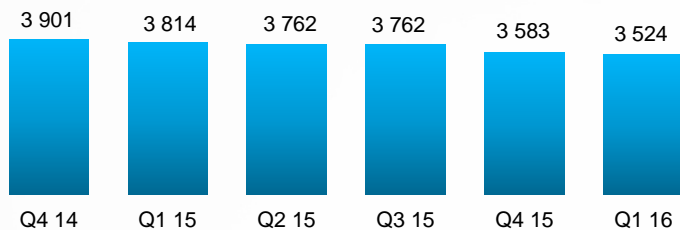
EBITDA and capex (NOK m)



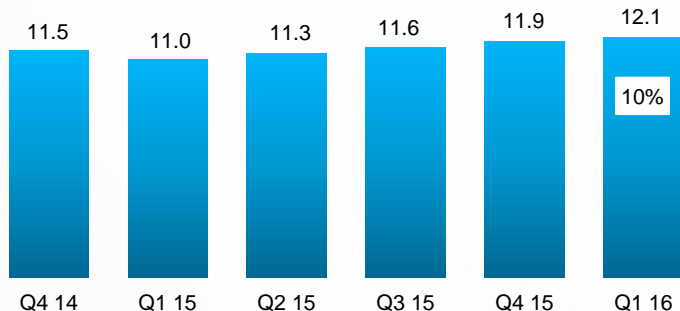
Organic growth

BULGARIA

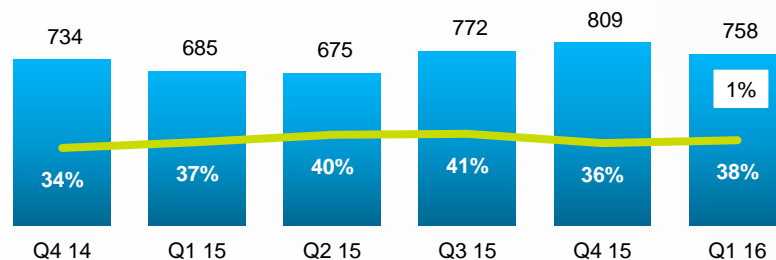
Mobile subscribers ('000)



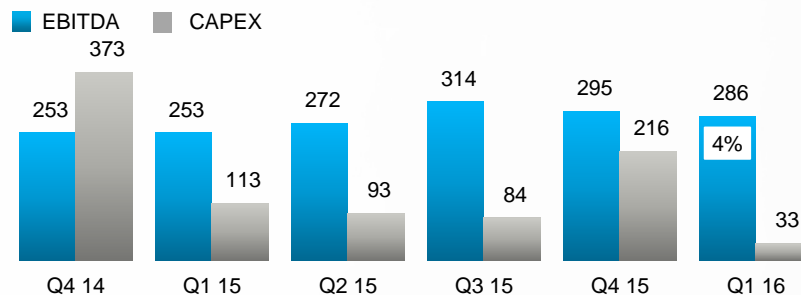
Mobile ARPU (BGN/month)



Revenues (NOK m) and EBITDA margin



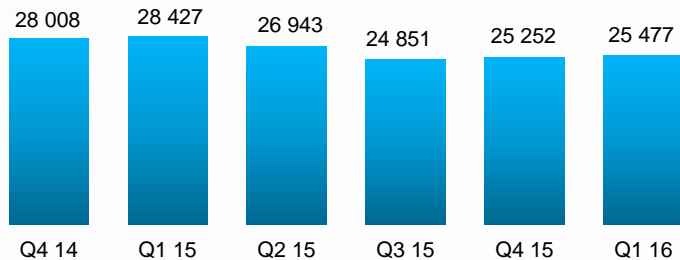
EBITDA and capex (NOK m)


 Organic growth

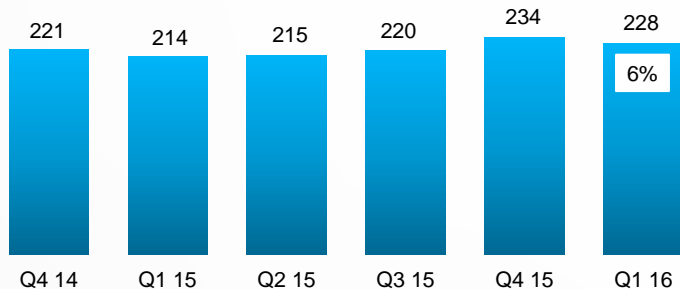
Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA margin before other items.

THAILAND (DTAC)

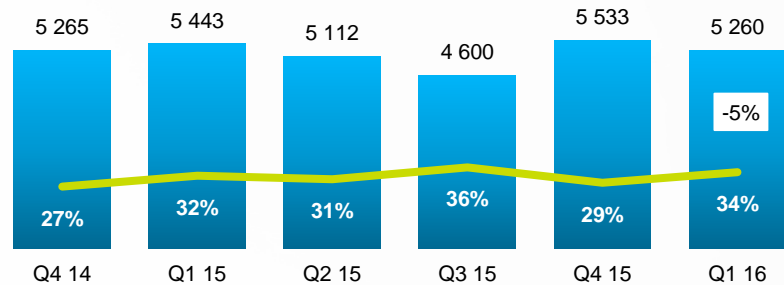
Mobile subscribers ('000)



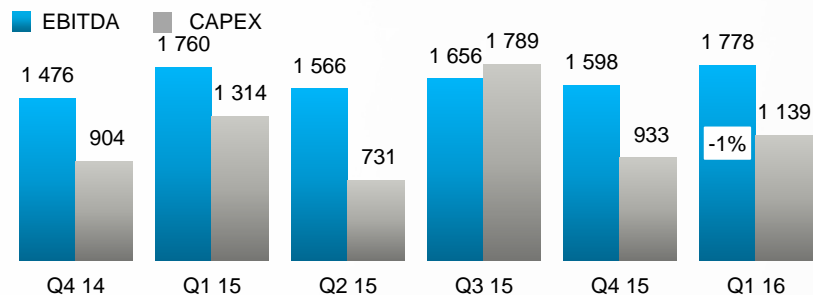
Mobile ARPU (THB/month)



Revenues (NOK m) and EBITDA margin

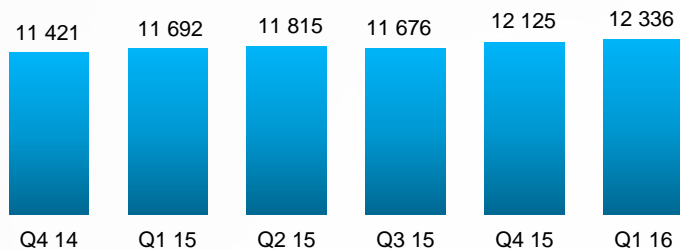


EBITDA and capex (NOK m)

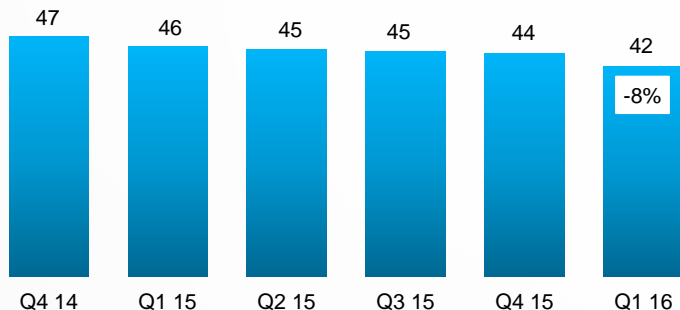

 Organic growth

MALAYSIA (DIGI)

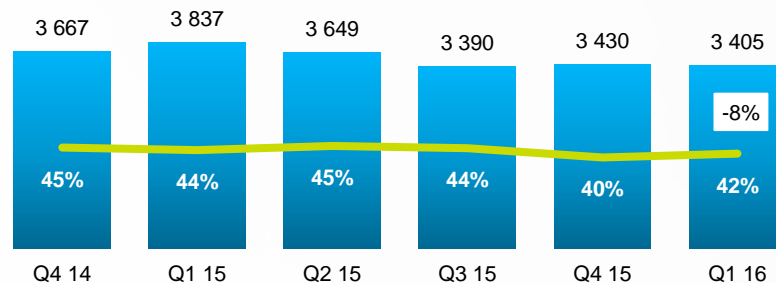
Mobile subscribers ('000)



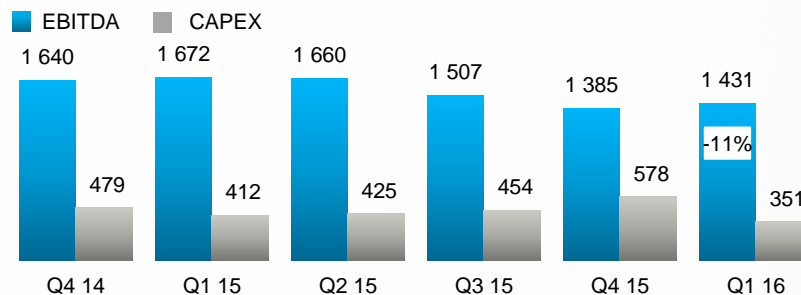
Mobile ARPU (MYR/month)



Revenues (NOK m) and EBITDA margin

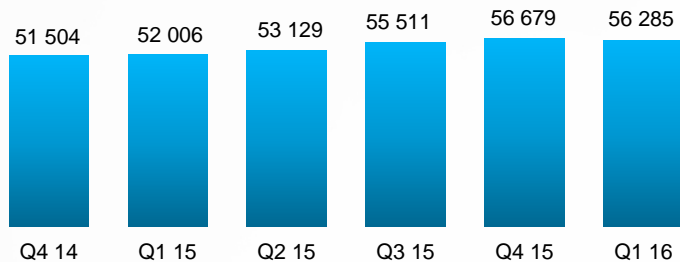


EBITDA and capex (NOK m)

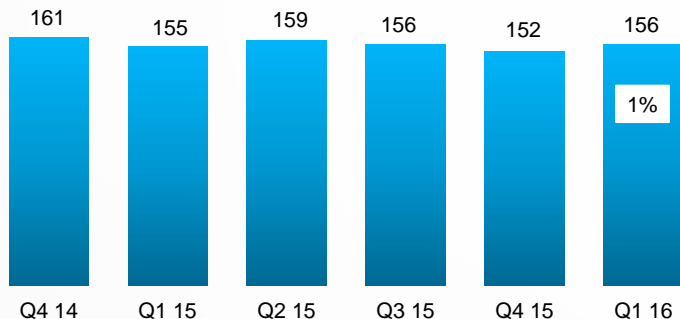

 Organic growth

BANGLADESH (GRAMEENPHONE)

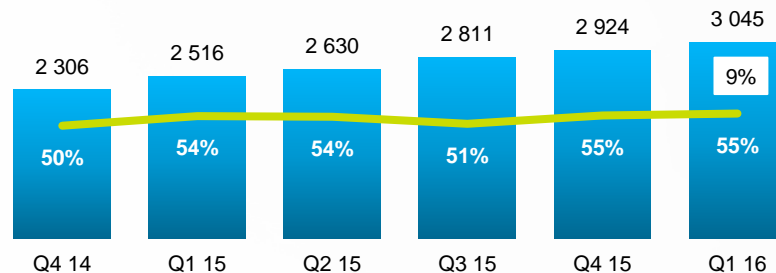
Mobile subscribers ('000)



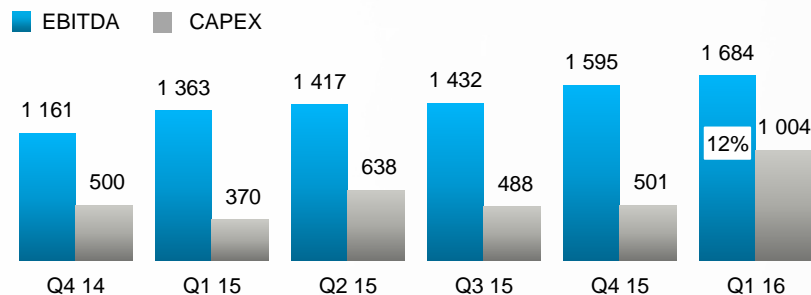
Mobile ARPU (BDT/month)



Revenues (NOK m) and EBITDA margin



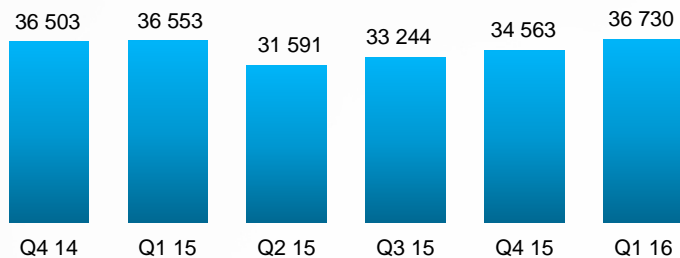
EBITDA and capex (NOK m)



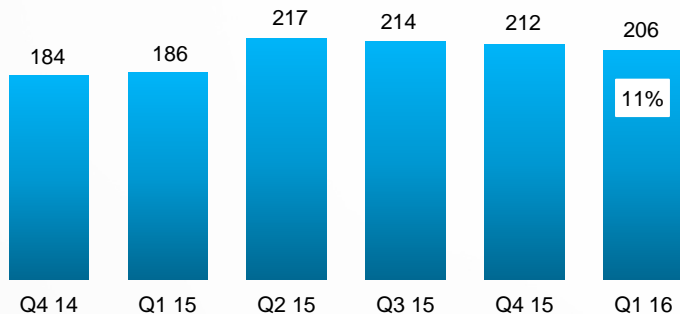
Organic growth

PAKISTAN

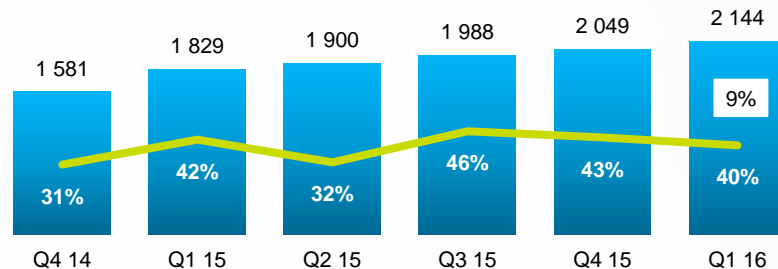
Mobile subscribers ('000)



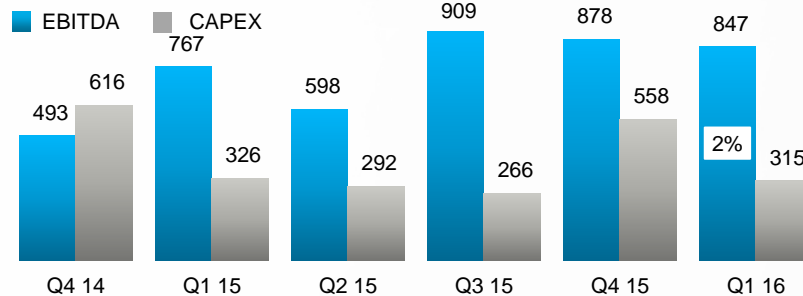
Mobile ARPU (PKR/month)



Revenues (NOK m) and EBITDA margin



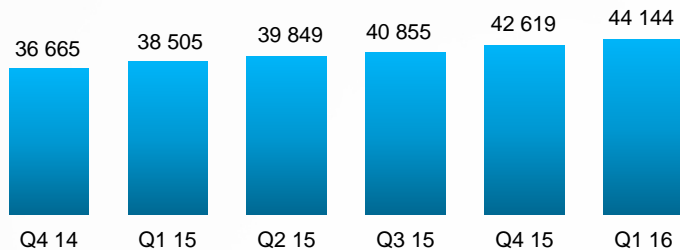
EBITDA and capex (NOK m)


 Organic growth

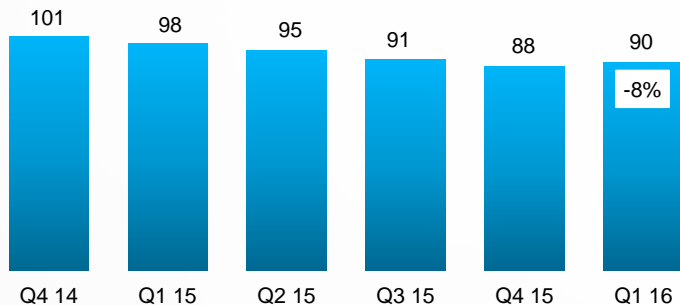
Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA margin before other items.

INDIA

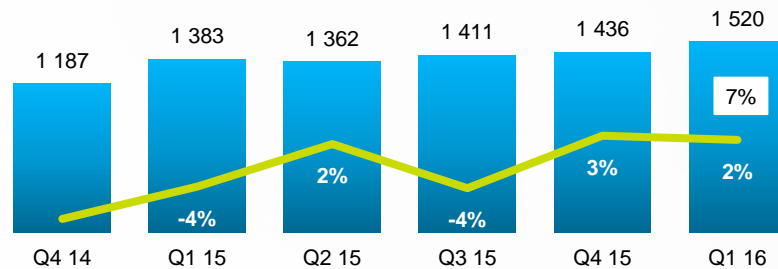
Mobile subscribers ('000)



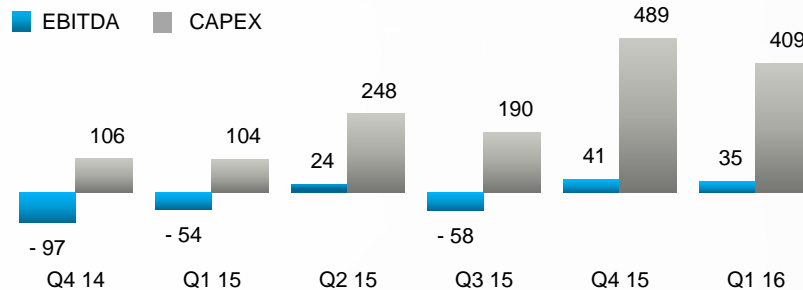
Mobile ARPU (INR/month)



Revenues (NOK m) and EBITDA margin

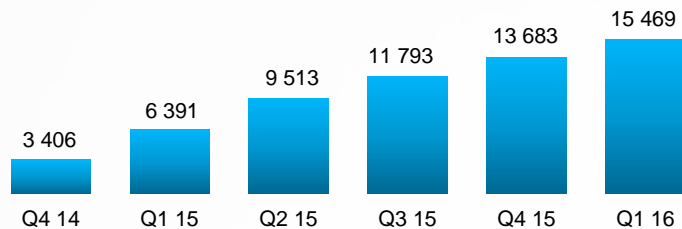


EBITDA and capex (NOK m)

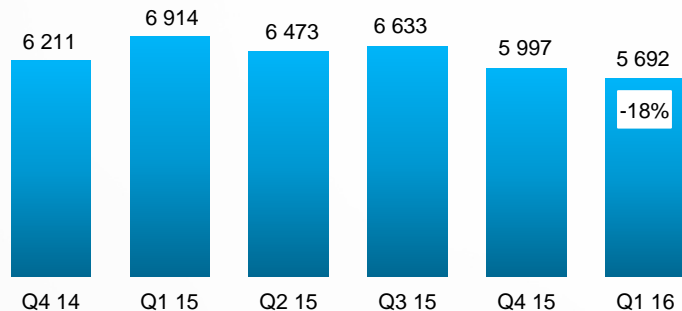

 Organic growth

MYANMAR

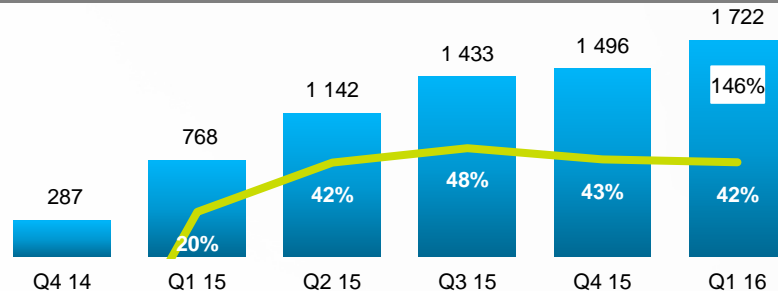
Mobile subscribers ('000)



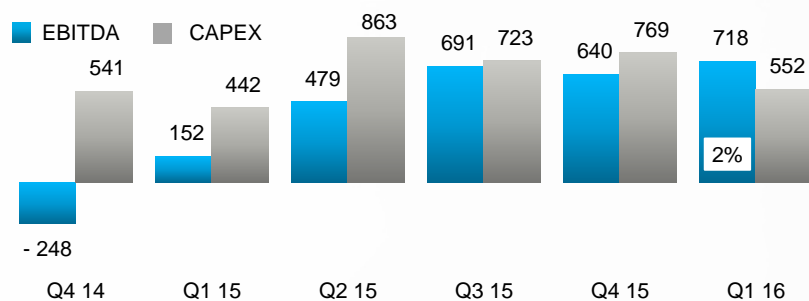
Mobile ARPU (MMK/month)



Revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)



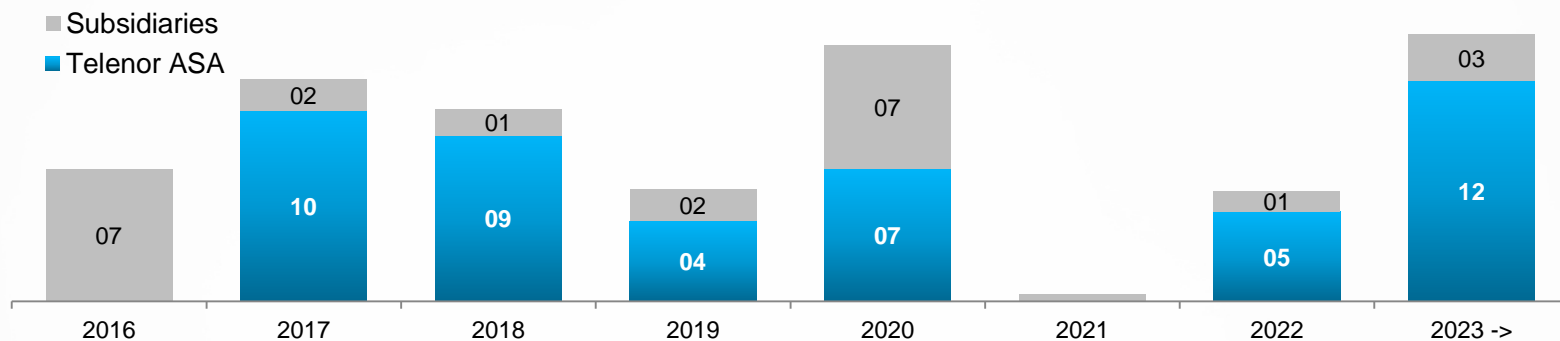
Organic growth

CHANGES IN REVENUES AND EBITDA

	Revenues		EBITDA	
	Reported	Organic	Reported	Organic
Norway	-4.4 %	-4.4 %	-0.7 %	-0.7 %
Sweden	4.6 %	-4.7 %	4.6 %	-4.6 %
Denmark	0.0 %	-8.2 %	-22.3 %	-28.7 %
Hungary	1.8 %	-5.7 %	0.1 %	-7.2 %
Montenegro and Serbia	11.6 %	3.1 %	3.7 %	-4.3 %
Bulgaria	10.7 %	1.4 %	13.1 %	3.7 %
Thailand	-3.4 %	-5.3 %	1.1 %	-0.9 %
Malaysia	-11.2 %	-7.7 %	-14.4 %	-11.0 %
Bangladesh	21.0 %	9.5 %	23.6 %	11.8 %
Pakistan	17.3 %	8.6 %	10.5 %	2.3 %
India	9.9 %	7.0 %	nm	nm
Broadcast	15.3 %	15.3 %	60.3 %	60.3 %
Telenor Group	5.0 %	1.5 %	8.2 %	5.0 %

DEBT MATURITY AND NET DEBT

Debt maturity profile (NOK bn)



Net debt in partly owned subsidiaries (NOK m)

(NOK m)	Q1 2016	Q4 2015	Q1 2015
Digi	2 441	2 205	1 539
dtac	7 584	9 193	6 231
Grameenphone	2 746	3 385	2 662

Per 31 Mar 2016. Excl. licence commitments of NOK 3.6 bn
 Net debt in partly owned subsidiaries is shown on 100% figures