

2018

TELENOR GROUP – FIRST QUARTER

Sigve Brekke, CEO

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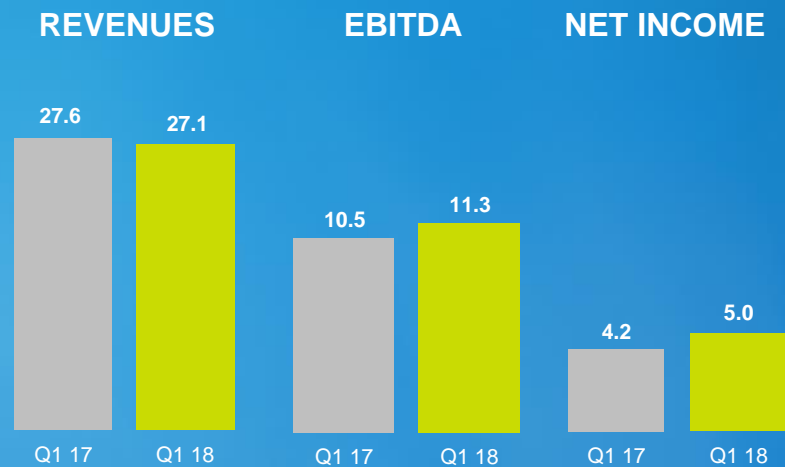
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The financial figures presented are based on the accounting principles for the Group's segment reporting. See note 7 in Telenor's interim report for further information.

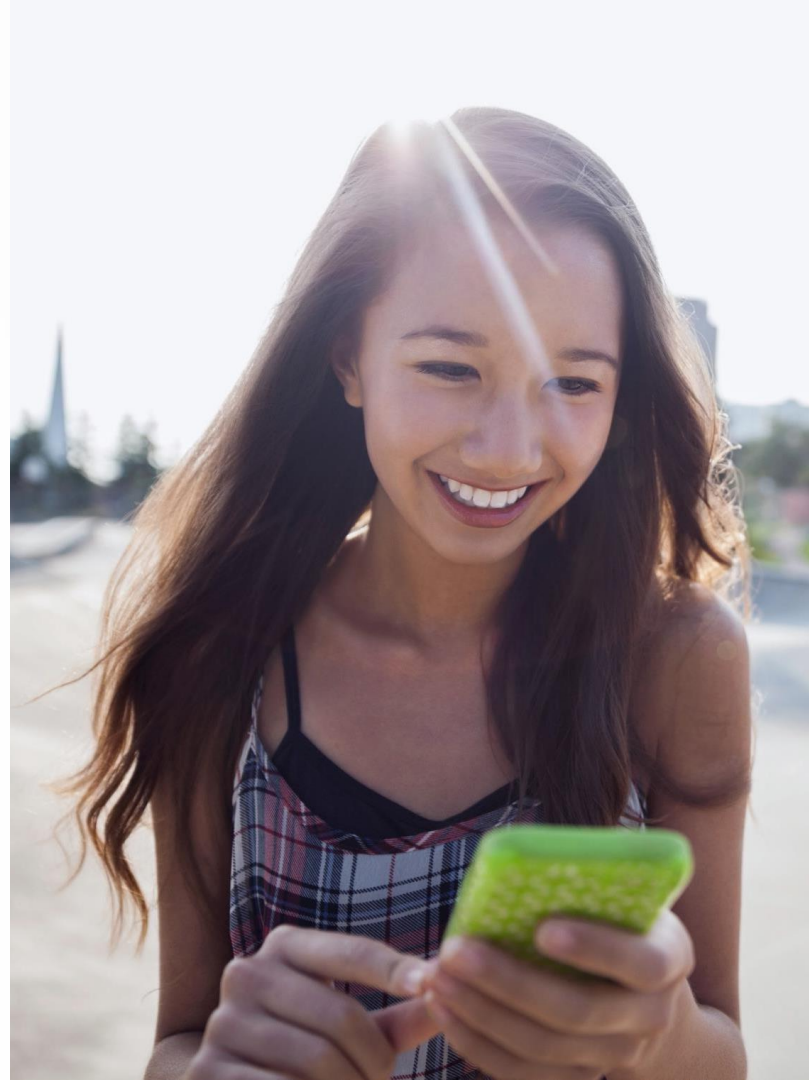
HIGHLIGHTS FIRST QUARTER 2018

- 2 million new subscribers and 1% growth in subscription and traffic revenues
- Good progress on efficiency agenda, resulting in 7% opex reduction
- 10% organic growth in EBITDA
- A leaner and more focused Telenor



GOOD PROGRESS ON 2018 PRIORITIES

- Drive digital transformation to ensure future growth and customer experience
- Continue delivering on cost agenda, building on 2017 momentum
- Maintain market positions in Norway
- Secure spectrum and infrastructure solution in Thailand



CONTINUING TO DRIVE TRANSFORMATION

Common Delivery Centre for Asia

- Common IT & Network delivery centre
- Three business units to be onboarded by July

Cost savings
20-30%

Business model simplification

- Telenor Sweden continuing its positive NPS journey after business model simplification
- Number of price plans in Sweden reduced by 80%

NPS Sweden:
+15p
YoY

Stepping up Global procurement

- Delivering Global Category Management through Telenor Procurement Company (TPC)
- Targeting to manage 75% of external spend in 2020

Contracted savings
>0.7
BN NOK

Digitalizing customer journeys

- +11m MyTelenor users
- Contextual marketing engine live in six markets
- Driving digital distribution

Digi call center volumes
-40%
vs 2015

MAJOR STEPS TAKEN TOWARDS PORTFOLIO SIMPLIFICATION



A STRONG PORTFOLIO WITH SIGNIFICANT OPPORTUNITIES

STRONG MARKET POSITIONS
with
STRONG PERFORMANCE

ORGANIC DEVELOPMENT

- mobile data, fibre to the home, IoT , selected digital positions

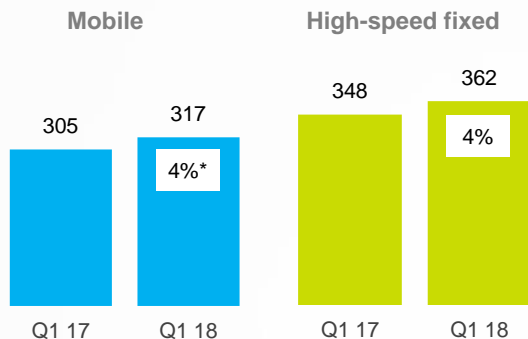
INORGANIC OPPORTUNITIES

- within core telecom business & core geographies



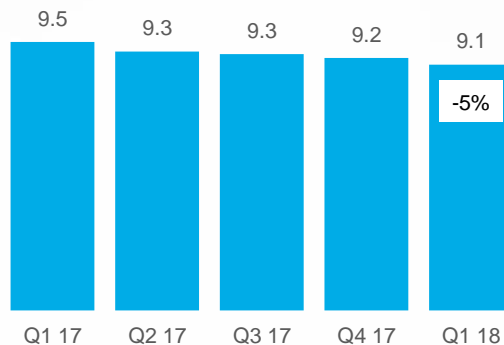
REVENUE RENEWAL AND SOLID COST MANAGEMENT YIELDING 7% EBITDA GROWTH IN NORWAY

ARPU (NOK/month)



- 1% organic growth in subscription and traffic revenues
- Added 8,000 new fibre connections, taking total base to 203,000

Opex (Last 12 months, NOK bn)



- 5% opex decline last 12 months
- Underlying workforce reduction of around 500 last 12 months

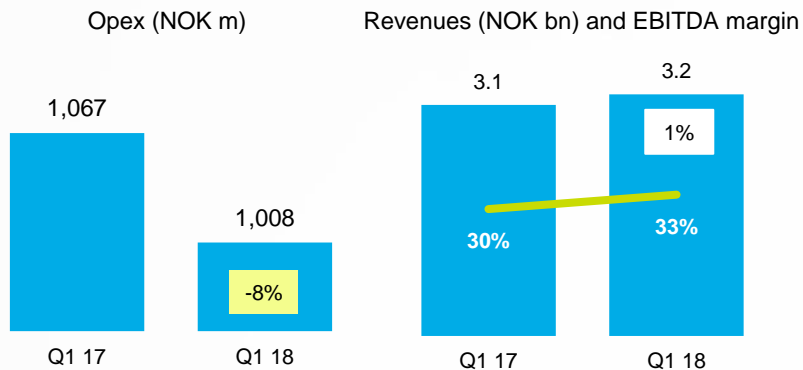
EBITDA (NOK bn)



- 7% EBITDA growth and EBITDA margin of 44%

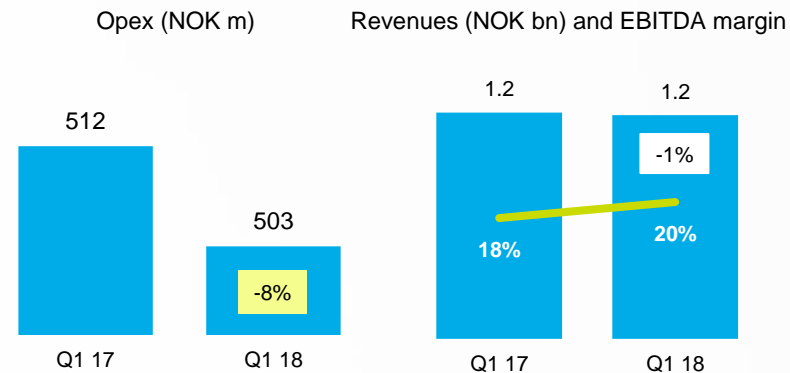
EFFICIENCY IMPROVEMENTS IN SWEDEN AND DENMARK

Sweden





- 8,000 new fibre connections, total base of 572,000
- Continued NPS improvement last four quarters

Denmark



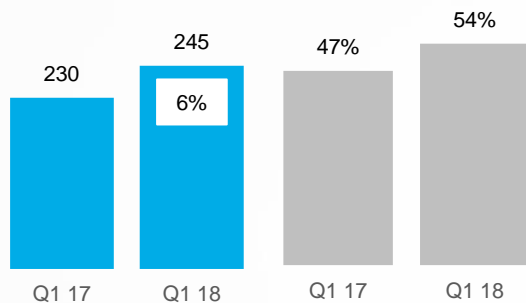
- 1% organic growth in mobile subscription & traffic revenues
- More efficient operation, lower sales & marketing cost and workforce reductions

 Opex reduction, currency-adjusted
 Organic growth in subscription and traffic revenues

SECURED ACCESS TO 2.3 GHZ SPECTRUM IN THAILAND

ARPU and postpaid growth

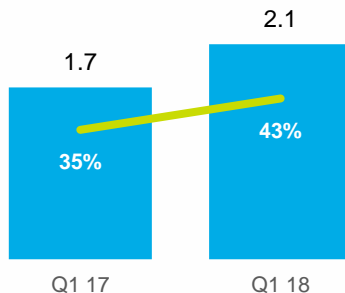
ARPU (THB)

Postpaid share of subs.
& traffic revenues

- 6% ARPU growth, driven by increased share of postpaid subscribers
- 1% decline in subscription and traffic revenues from lower prepaid base

EBITDA improvement

EBITDA (NOK bn) and EBITDA margin



- 21% organic EBITDA growth following solid cost control

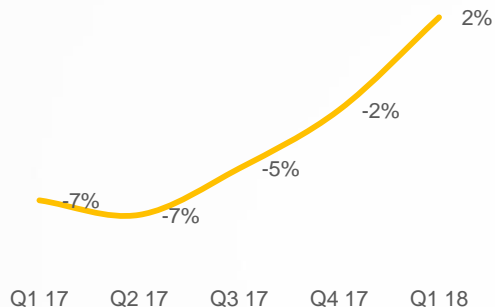
Spectrum and infrastructure

Spectrum band	Bandwidth (MHz)	Expiry Year
850 MHz	2x10	2018
1800 MHz	2x25	2018
2100 MHz	2x15	2027
2300 MHz	1x60	2025

- Approved and signed agreement with TOT on 2.3 GHz collaboration
- 2.1 GHz network densification continues
- Working on commercial tower lease with CAT after concession expiry in September

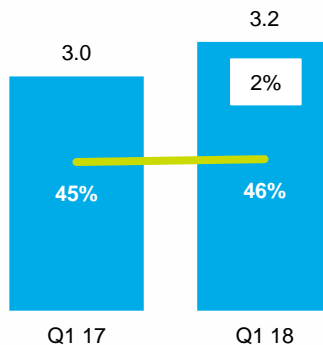
BACK TO GROWTH IN MALAYSIA

Subs. and traffic revenue growth



- Double-digit postpaid and prepaid internet revenue growth
- 400,000 4G subscribers added, total 4G base of 6.6 million

Revenues (NOK bn) & EBITDA margin



- Strengthened EBITDA margin and 4% organic growth in EBITDA

Spectrum and network



Solid spectrum portfolio	Bandwidth (MHz)	Expiry Year
900Mhz	2x5	2032
1800Mhz	2x20	2032
2100Mhz ¹	2x15, 1x5	2034
2600Mhz	2x10	2019

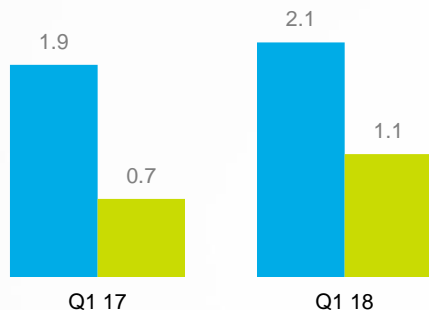
- Solid spectrum portfolio after securing 2.1 GHz spectrum
- Supporting growing data demand with robust 4G+ network

 Organic growth in subscription and traffic revenues

LAUNCHED 4G SERVICES, STRENGTHENING SUPERIOR NETWORK POSITION IN BANGLADESH

Subscriber growth (m)

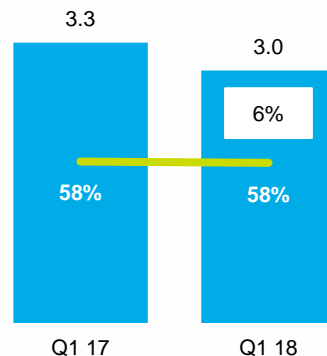
- Net subscriber adds
- New data users



- Healthy subscriber growth, and 1.1 million growth in active data users
- Smartphone penetration still below 30%

- Revenues (NOK bn)
- EBITDA margin (%)
- Organic growth in subscription & traffic revenues

Revenues (NOKbn) & EBITDA margin



- 6% revenue growth amidst competitive pressure and 4G promotions
- Month-on-month revenue improvement
- Stable 58% EBITDA margin and 1% organic growth in EBITDA

4G launch in February

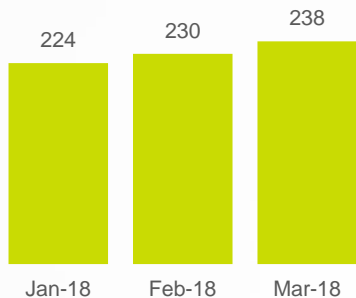


- Secured spectrum and launched 4G services
- Robust 4G rollout ensuring seamless experience; >4,800 4G sites on air by July
- Affordable 4G handset portfolio to drive data usage

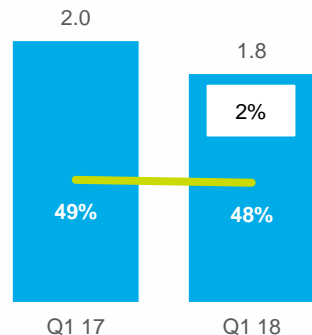
MAINTAINING MARKET SHARES AND MARGINS IN PAKISTAN AND MYANMAR

Pakistan

Avg. daily subs & traffic revenues
(PKR m)



Revenues and EBITDA margin

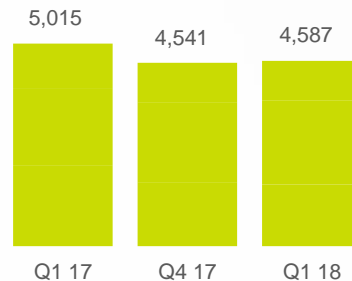


- Added 1.0 million subscribers and maintained market share
- Focus on 4G network rollout and data monetisation
- Month-on-month revenue improvement

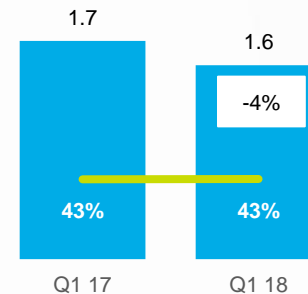
- Revenues (NOK bn)
- EBITDA margin (%)
- Organic growth in subs & traffic revenues

Myanmar

ARPU (MMK)



Revenues and EBITDA margin



- Maintaining market share and NPS leadership while preparing for new entrant's launch
- Growth in unique users partly compensating for price erosion
- Ookla speed test confirming Telenor's solid data position

CONTINUING TO EXECUTE ON OUR 2020 STRATEGY



GROWTH



EFFICIENCY



SIMPLIFICATION

WINNING TEAM

RESPONSIBLE BUSINESS

2018

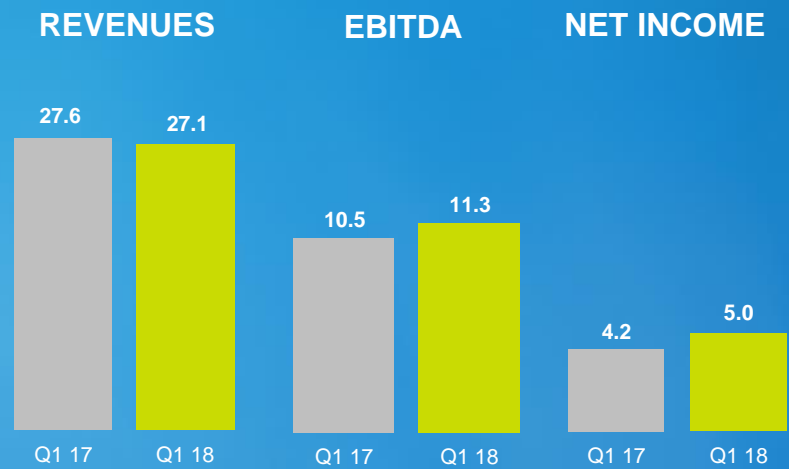
TELENOR GROUP – FIRST QUARTER

Jørgen C. Arentz Rostrup, CFO



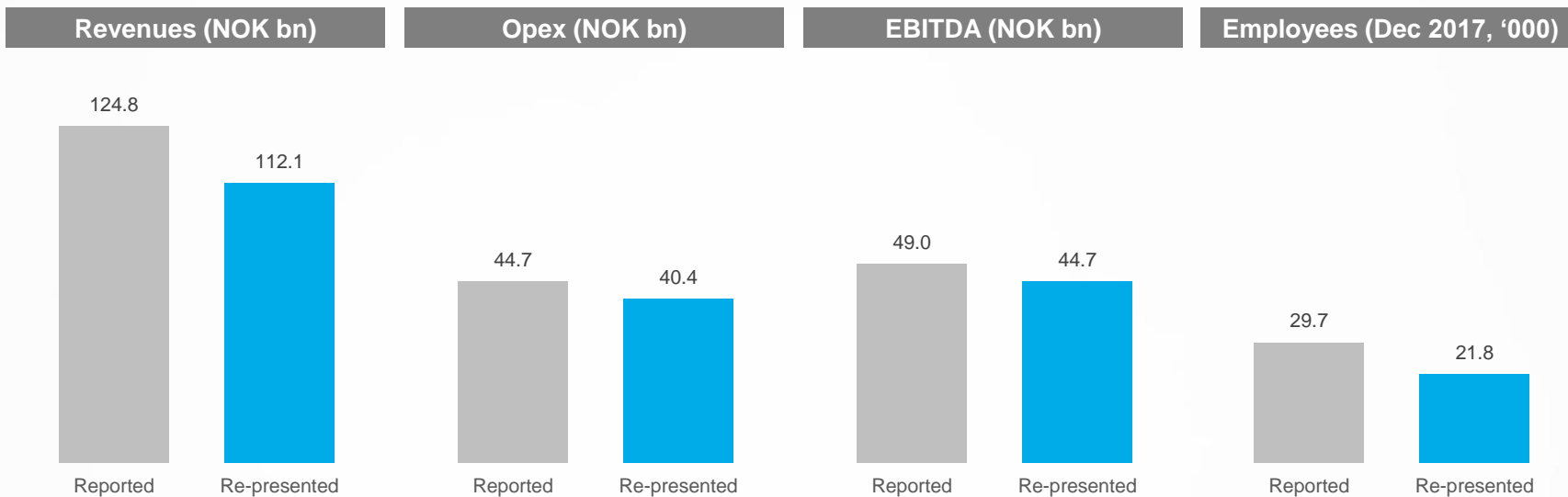
HIGHLIGHTS FIRST QUARTER 2018

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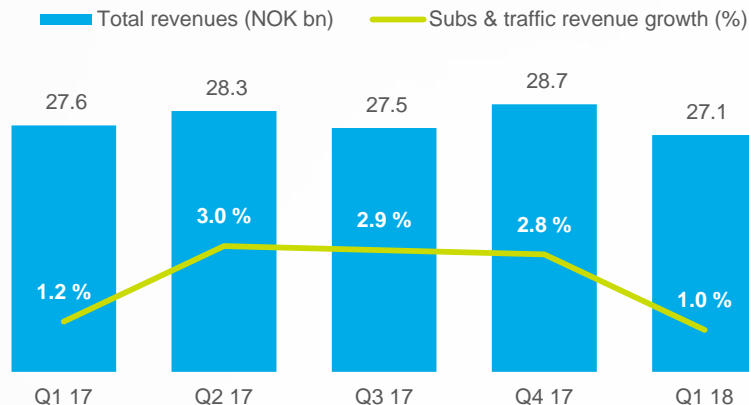
CREATING A LEANER TELENOR

Impact on key 2017 metrics from CEE disposal and Financial Services partnership in Pakistan:



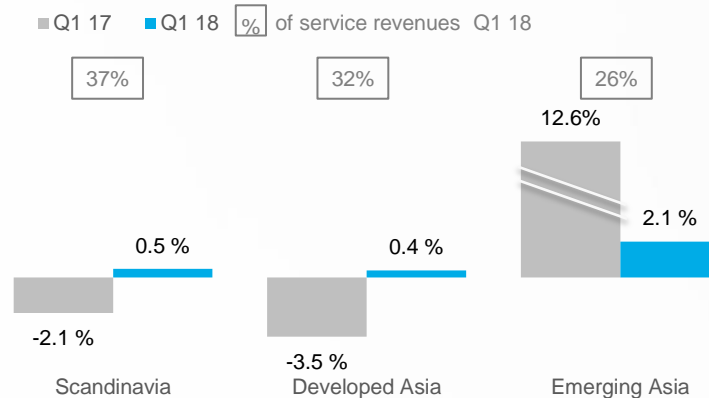
CONTINUED GROWTH IN CORE REVENUES

Revenue development



- Reported revenues down by 2% impacted by NOK 0.4 bn decline from interconnect, handsets and global wholesale
- Organic growth in subscription and traffic revenues in line with Q1 2017

Subscription & traffic revenue growth (%) – by region



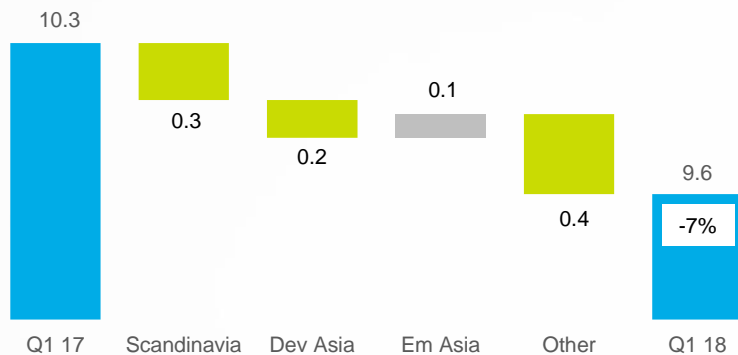
- Improved performance in Scandinavia and Developed Asia offsetting lower growth contribution from Emerging Asia
- Emerging Asia showing improved trend on a monthly basis

Organic growth.

Subscription & traffic revenues defined as revenues from mobile subscription & traffic, fixed internet & TV, retail telephony, data services and DTH

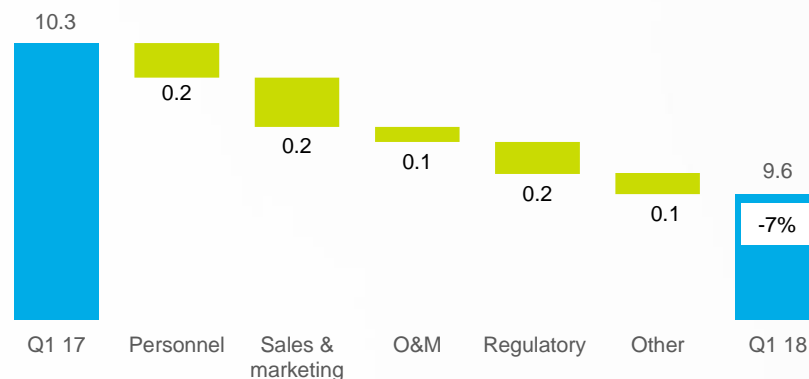
EFFICIENCY INITIATIVES DRIVING 7% OPEX REDUCTION

Opex reductions – by region (NOK bn)



- Currency-adjusted opex reductions in Q1 of NOK 0.7 bn (Reported reductions of NOK 0.8 bn)
- “Other” reductions driven by a more focused agenda within Corporate functions and Digital Business

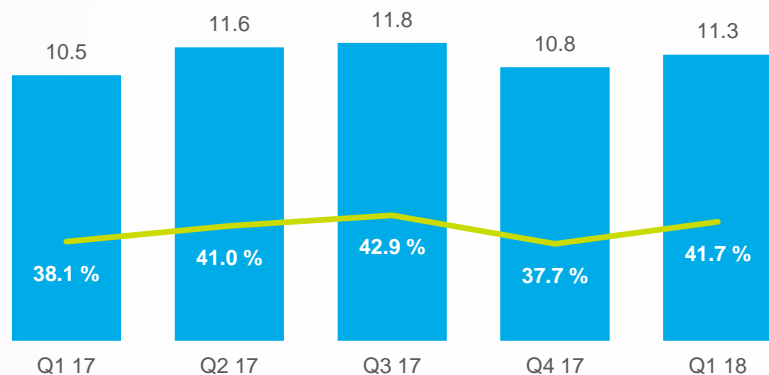
Opex reductions – by cost area (NOK bn)



- Opex reductions within all cost areas

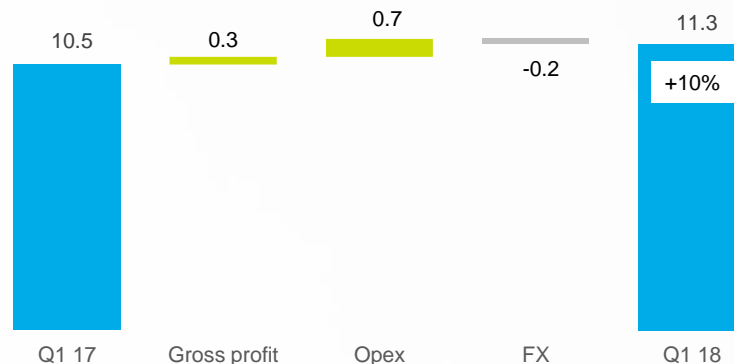
10% EBITDA GROWTH AND SOLID MARGIN IMPROVEMENT

EBITDA (NOK bn) and EBITDA margin (%) development



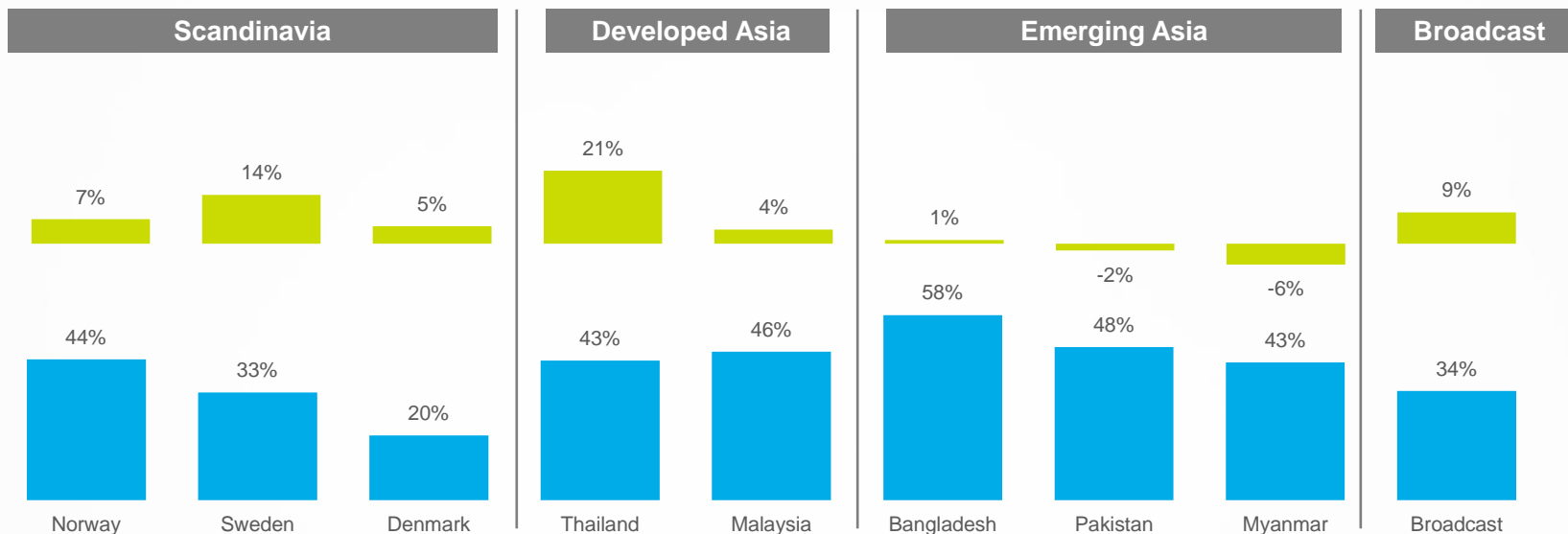
- EBITDA uplift of NOK 0.8 billion, and 10% organic growth
- EBITDA margin improved by 4 percentage points


EBITDA (NOK bn) decomposition



- EBITDA growth from growth in core revenues and good cost management

ORGANIC EBITDA GROWTH IN 7 OF 9 BUSINESS UNITS



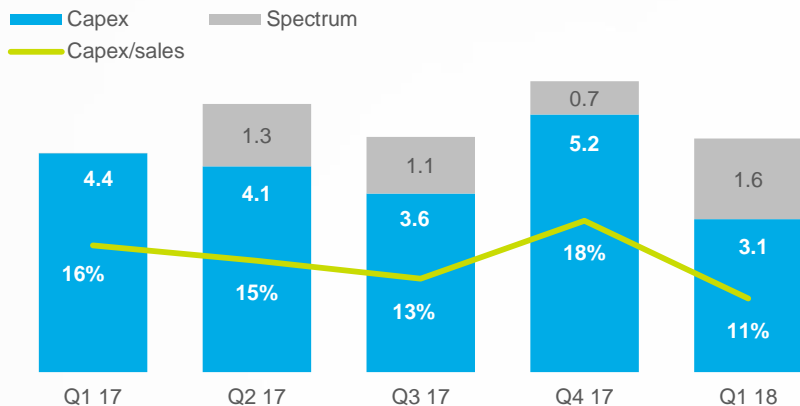
 Organic EBITDA growth (Q1 18 vs Q1 17)

 EBITDA margin (Q1 18)

EBITDA improvement in Other units of NOK 0.2 billion

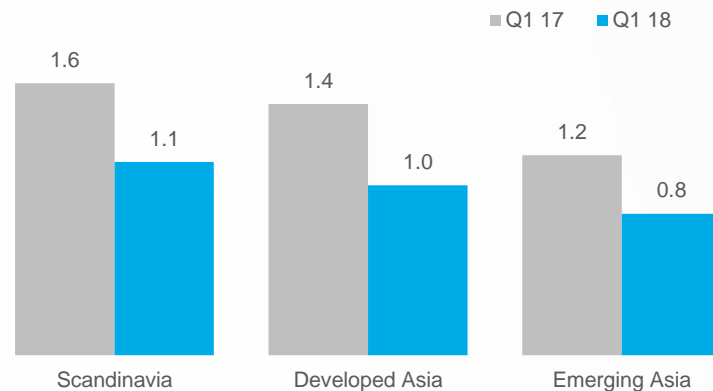
LOW CAPEX IN THE FIRST QUARTER, MAINTAINING FULL YEAR CAPEX OF NOK 17-18 BILLION*

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



- Spectrum acquisition and conversion in Bangladesh in Q1

Capex (NOK bn) – by region



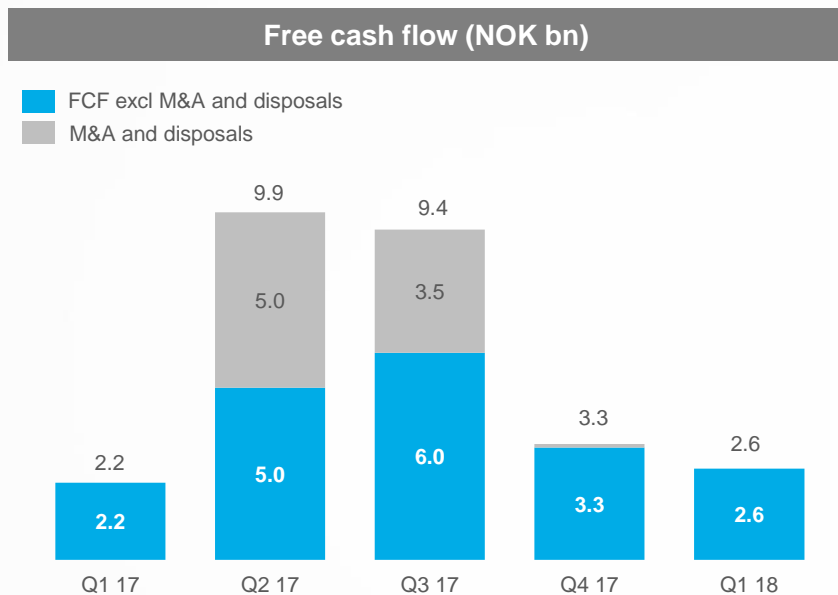
- Norway: 4G rollout approaching completion, while fibre rollout impacted by weather conditions
- Network investments in Thailand pending clarity on 2.3 GHz

*Adjusted for CEE disposal
Capex and capex/sales ratio excl. spectrum licenses

NET INCOME OF NOK 5.0 BILLION

NOK m	Q1 2017	Q1 2018	Q1 2018 (IFRS15)	<i>Impact of IFRS 15</i>
Revenues	27 596	27 113	27 138	+25
EBITDA before other items	10 504	11 309	11 330	+22
Other items	-133	-176	-176	
EBITDA	10 371	11 133	11 155	
Depreciation & amortization	4 719	5 356	5 356	
Operating profit	5 652	5 777	5 799	+22
Associated companies	1 117	1	1	
Net financials	-889	1 988	1 988	
Taxes	-1 605	-2 298	-2 297	+1
Profit (loss) from discontinued operations	587	287	260	-27
Minorities	694	768	768	
Net income - Telenor equity holders	4 168	4 987	4 983	-4
Earnings per share (NOK)	2.78	3.35	3.35	

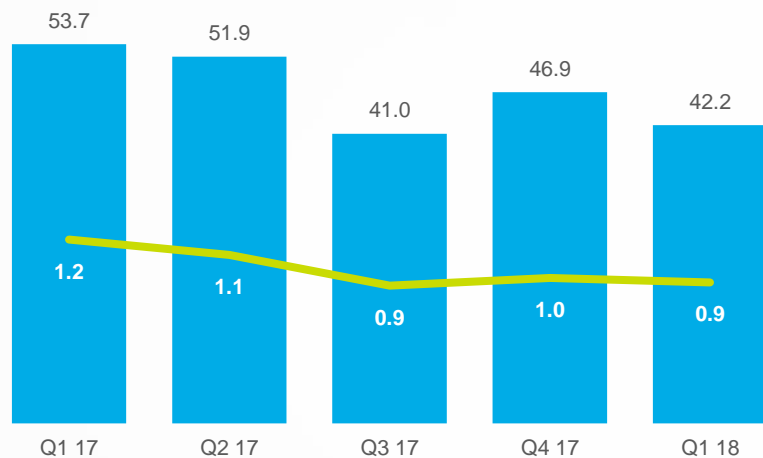
FREE CASH FLOW OF NOK 2.6 BILLION



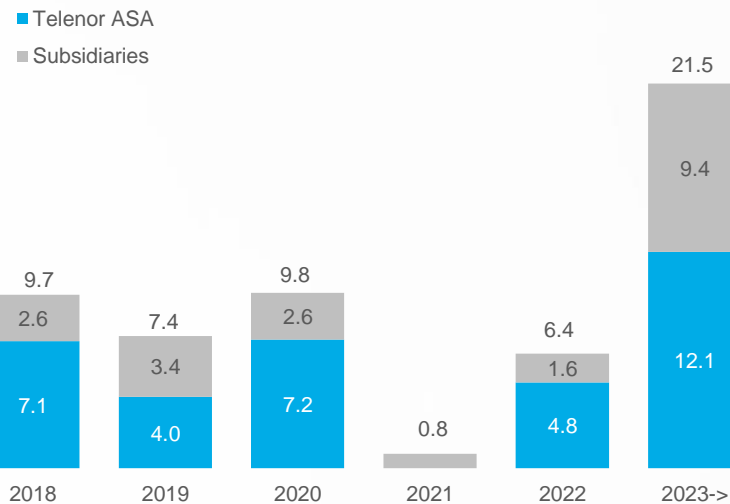
NOK bn	Q1 2017	Q1 2018	2017
EBITDA	10.5	11.3	44.7
<i>Adj. for discontinued operations</i>	<i>1.0</i>	<i>0.5</i>	<i>4.3</i>
Taxes	-1.1	-1.6	-6.1
Net interest paid	-0.8	-0.3	-2.5
Capex	-5.9	-4.1	-19.4
Spectrum	-0.1	-1.4	-2.1
M&A & disposals	-	-	8.5
Dividends to minorities	-0.3	-0.4	-2.6
Working cap.& other	-1.0	-1.4	0.1
Free cash flow	2.2	2.6	24.9

MAINTAINING A SOLID BALANCE SHEET

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



Debt maturity profile**



ATTRACTIVE SHAREHOLDER REMUNERATION

YEAR-ON-YEAR GROWTH IN ORDINARY DIVIDEND

- Total dividend of NOK 8.10 per share for FY 2017 (+4%)
- First tranche of NOK 4.20 paid out in May
- Second tranche of NOK 3.90 to be paid out in November

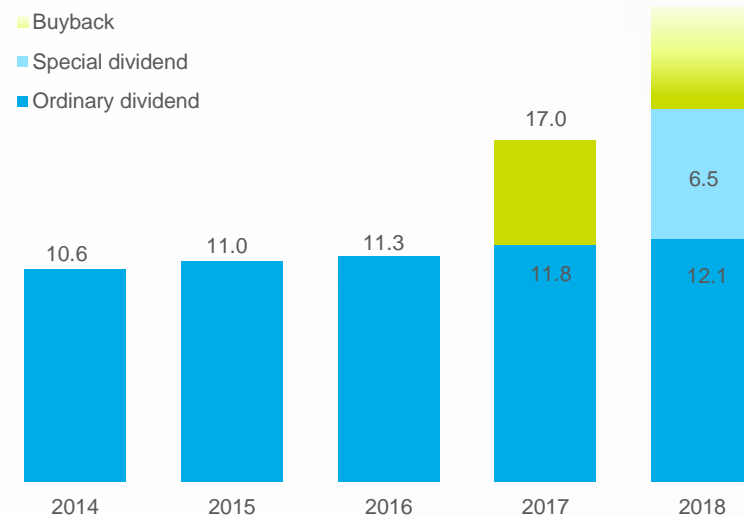
BUYBACK OF OWN SHARES

- 2017 programme: Market purchases completed in Feb, with proportional settlement to the Norwegian state mid-2018
- Asking AGM in May 2018 for a new 2% buyback mandate

SPECIAL DIVIDEND

- Asking AGM for Board authorisation to pay special dividend of NOK 4.40/share in 2018, following completion of CEE disposal

Shareholder remuneration (NOK bn)*



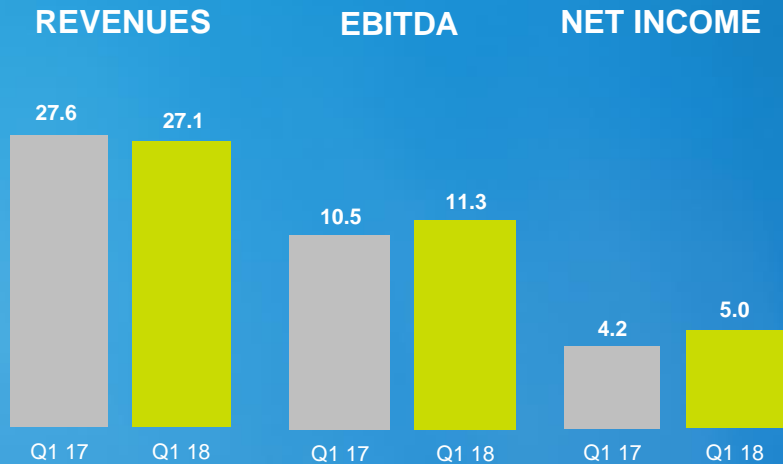
OUTLOOK FOR 2018

	2018	YTD 2018	2017
Organic growth in subscription & traffic revenues	1-2% <i>(MAINTAINED)</i>	1.0%	2.4%
Organic EBITDA growth	2-3% <i>(PREVIOUSLY 1-3%)</i>	10.0%	9.0%
Capex (NOK bn)	17-18 <i>(PREVIOUSLY 18-19)</i>	3.1	17.3

Capex outlook adjusted to reflect disposal of Central and Eastern European assets

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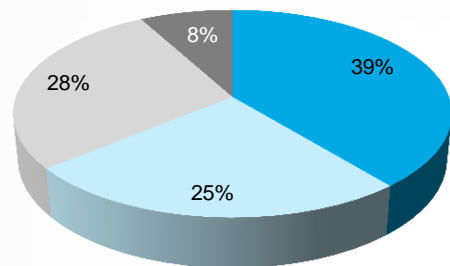


2018

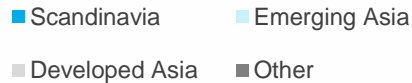
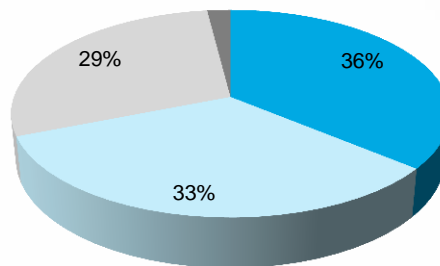
TELENOR GROUP – FIRST QUARTER APPENDIX

GEOGRAPHIC SPLIT OF KEY FINANCIALS IN 2017

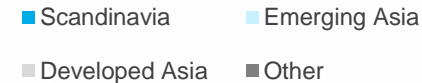
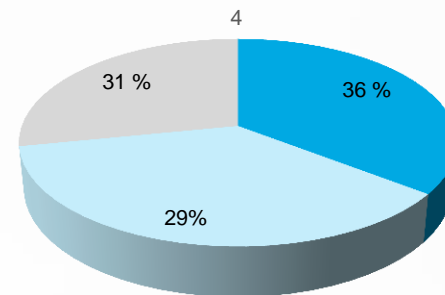
REVENUES



EBITDA

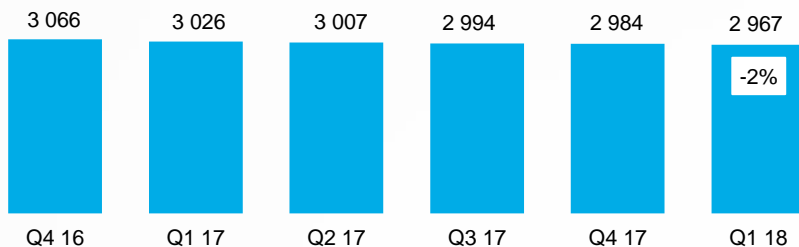


EBITDA LESS CAPEX

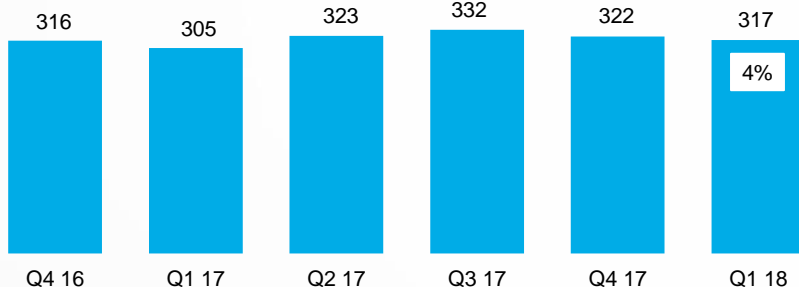


NORWAY

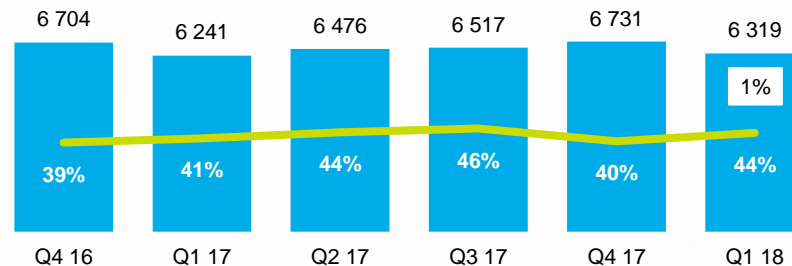
Mobile subscribers ('000)



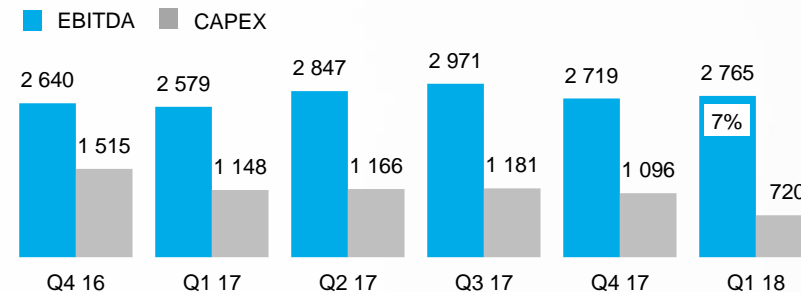
Mobile ARPU (NOK/month)



Revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)

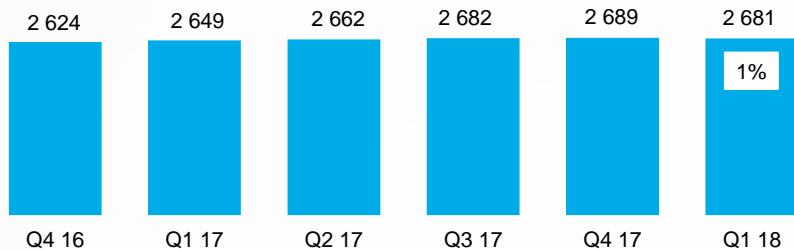


Organic growth assuming fixed currency, adjusted for acquisitions and disposals. EBITDA before other items. Capex excl. licence fees

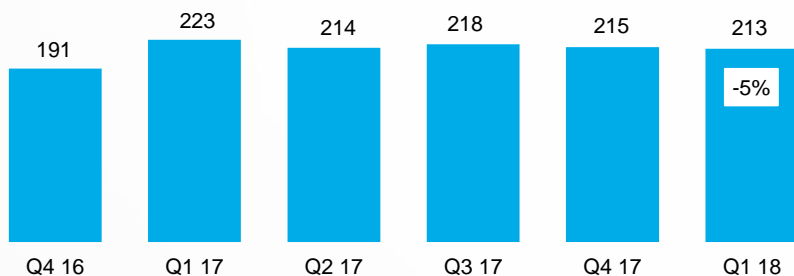
 Organic growth

SWEDEN

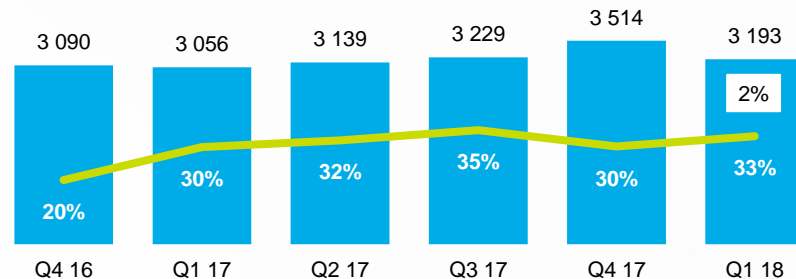
Mobile subscribers ('000)



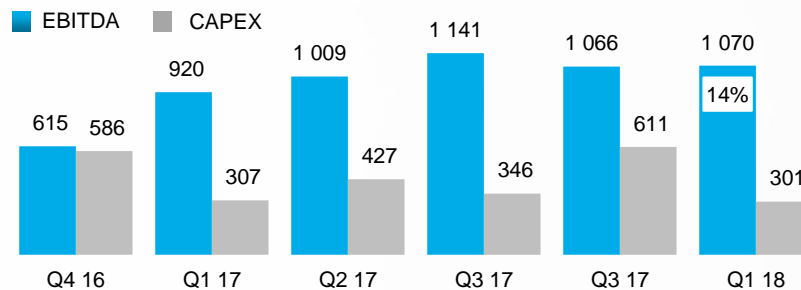
Mobile ARPU (SEK/month)



Revenues (NOK m) and EBITDA margin



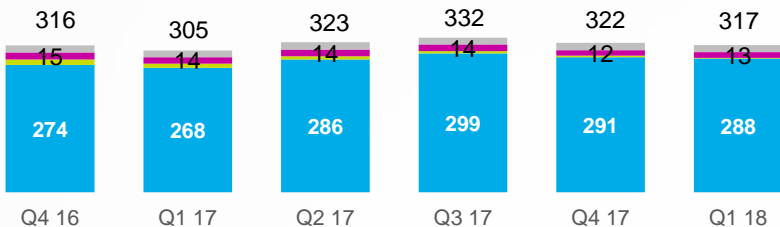
EBITDA and capex (NOK m)



ADDITIONAL INFORMATION – NORWAY AND SWEDEN

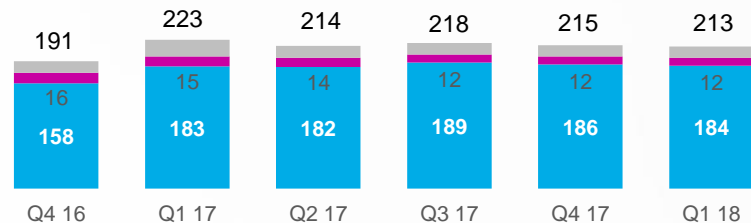
Norway – mobile ARPU (NOK)

■ Interconnect ■ Roaming ■ Handset related ■ Domestic



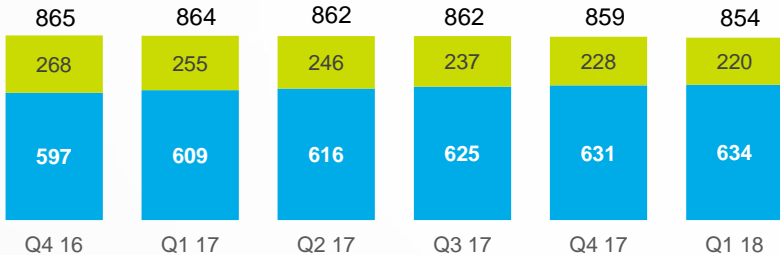
Sweden – mobile ARPU (SEK)

■ Domestic ■ Roaming ■ Interconnect



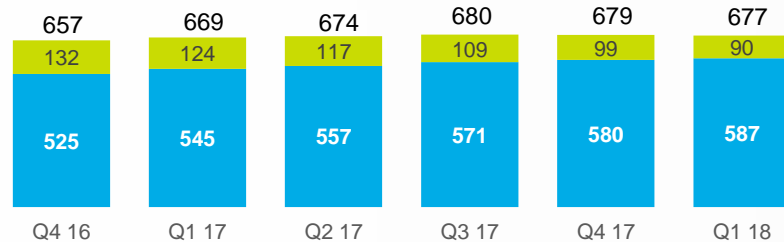
Norway – fixed broadband subscribers ('000)

■ High-speed ■ Low-speed



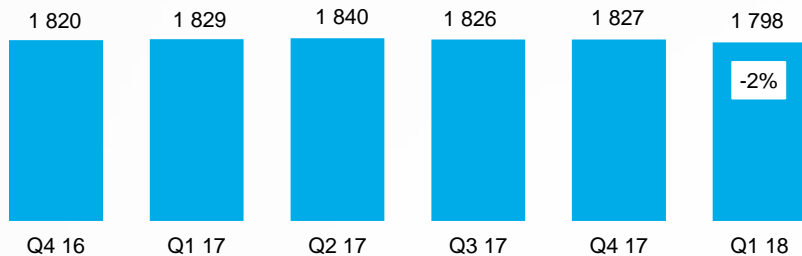
Sweden – fixed broadband subscribers ('000)

■ High-speed ■ Low-speed

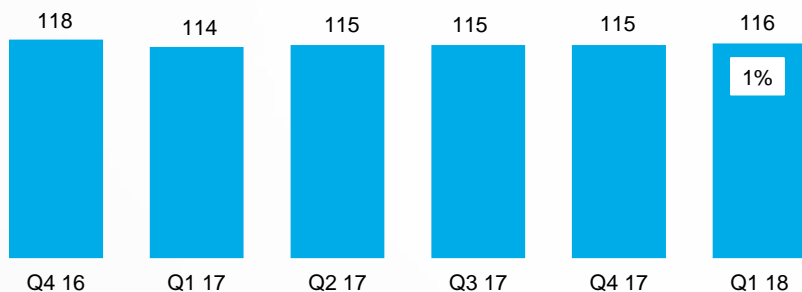


DENMARK

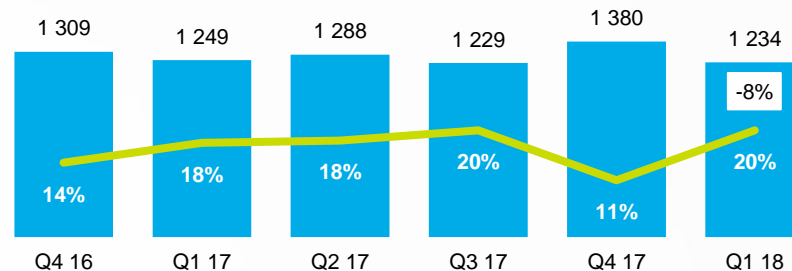
Mobile subscribers ('000)



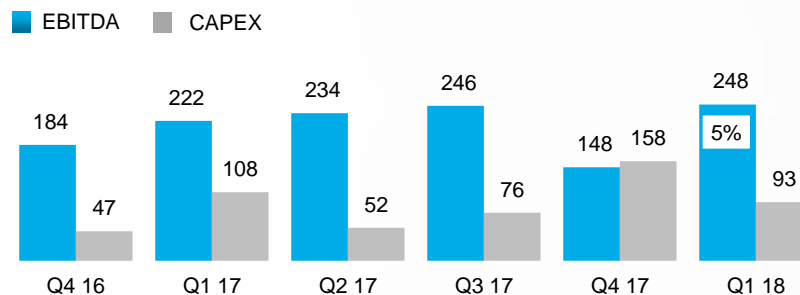
Mobile ARPU (DKK/month)



Revenues (NOK m) and EBITDA margin

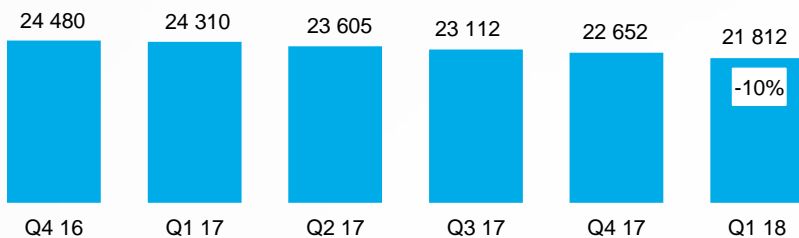


EBITDA and capex (NOK m)

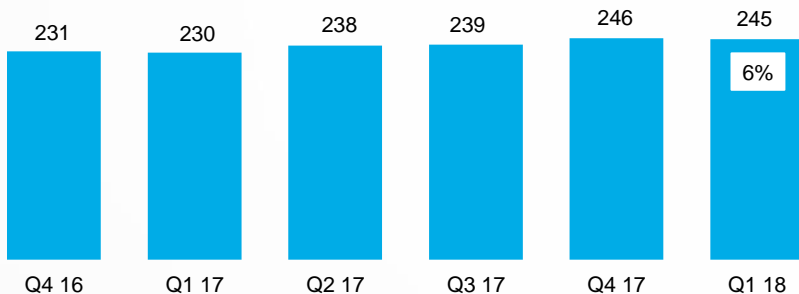


THAILAND (DTAC)

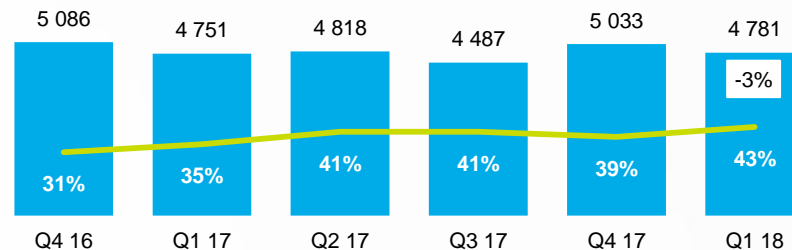
Mobile subscribers ('000)



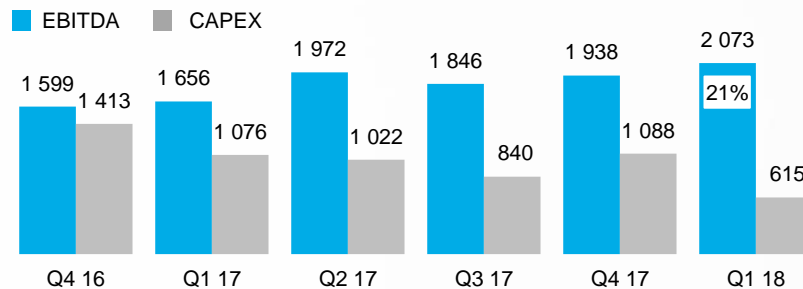
Mobile ARPU (THB/month)



Revenues (NOK m) and EBITDA margin

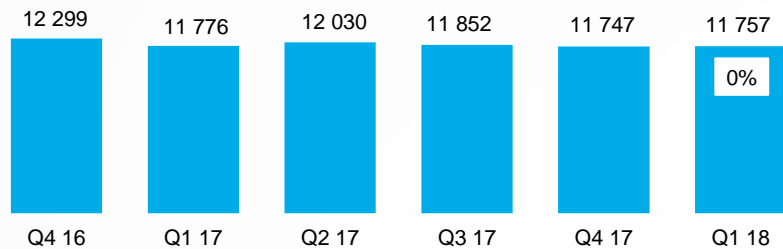


EBITDA and capex (NOK m)

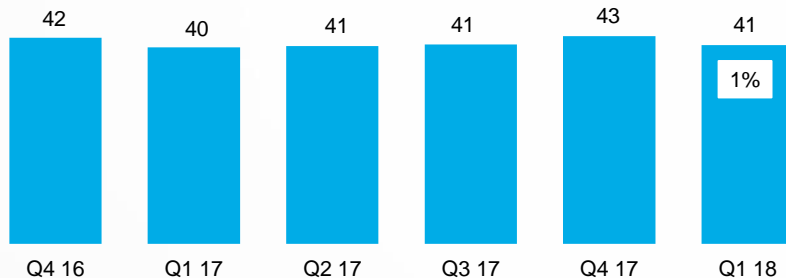


MALAYSIA (DIGI)

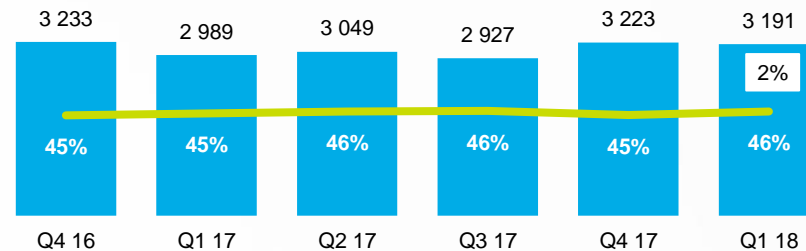
Mobile subscribers ('000)



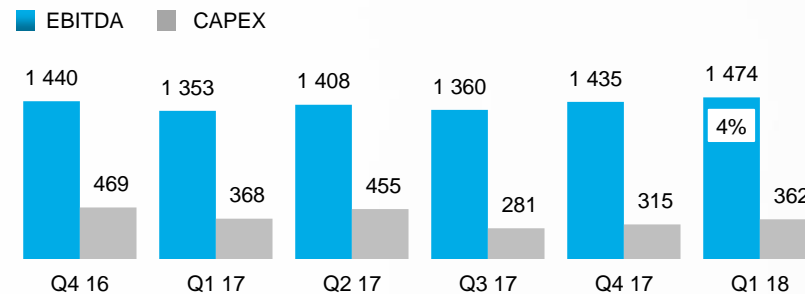
Mobile ARPU (MYR/month)



Revenues (NOK m) and EBITDA margin

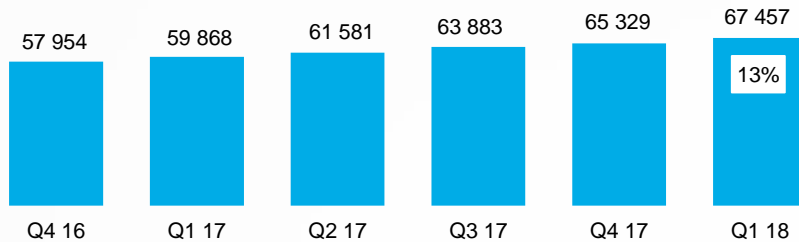


EBITDA and capex (NOK m)

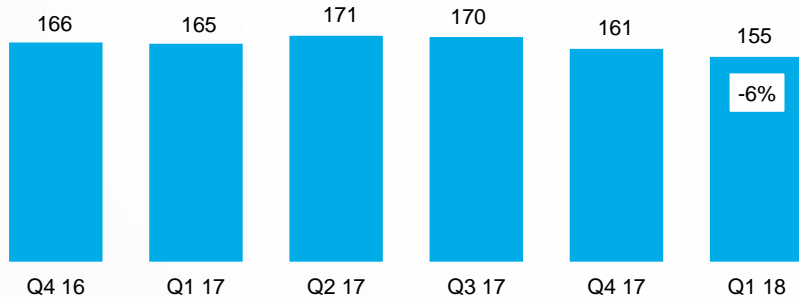


BANGLADESH (GRAMEENPHONE)

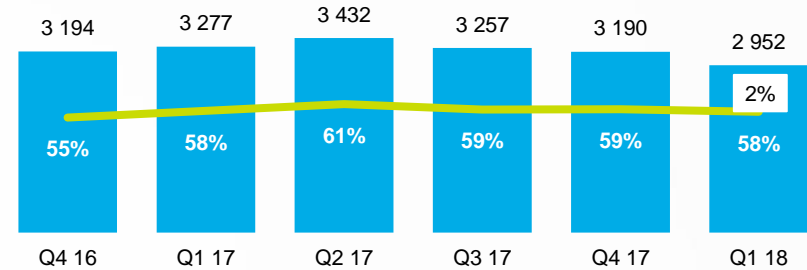
Mobile subscribers ('000)



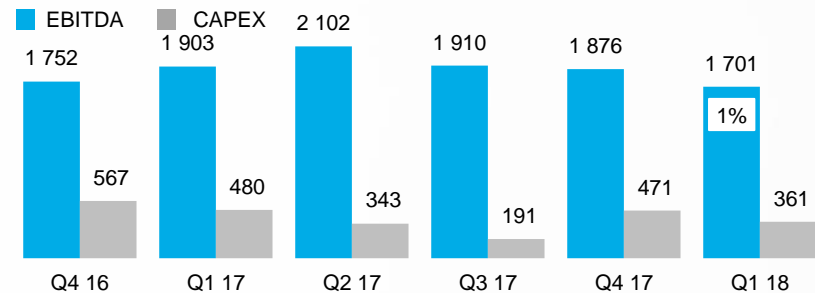
Mobile ARPU (BDT/month)



Revenues (NOK m) and EBITDA margin

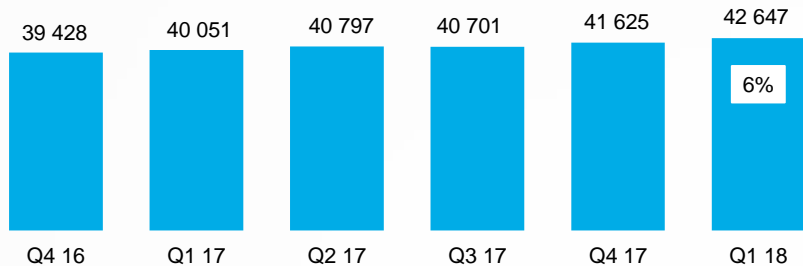


EBITDA and capex (NOK m)

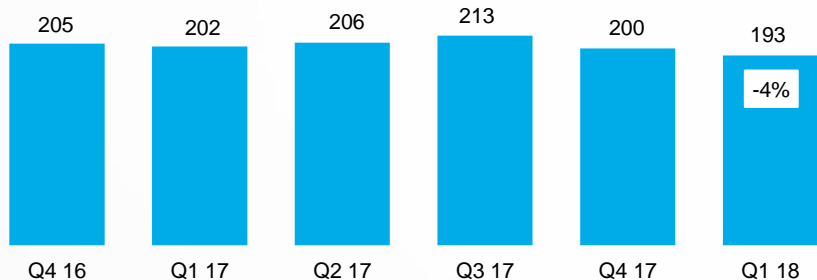


PAKISTAN

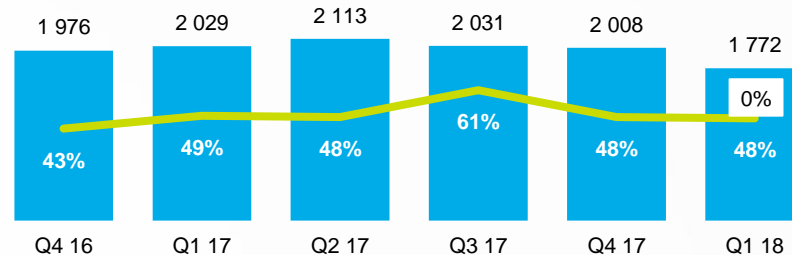
Mobile subscribers ('000)



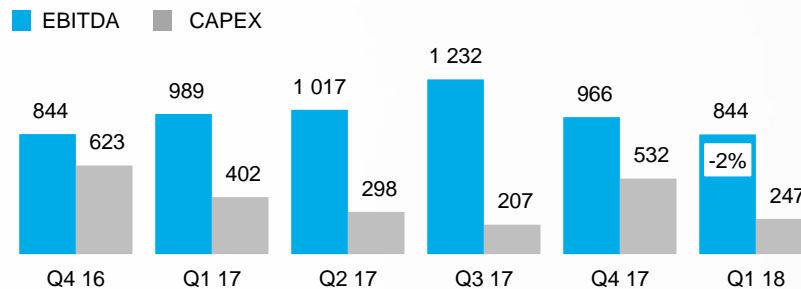
Mobile ARPU (PKR/month)



Revenues (NOK m) and EBITDA margin

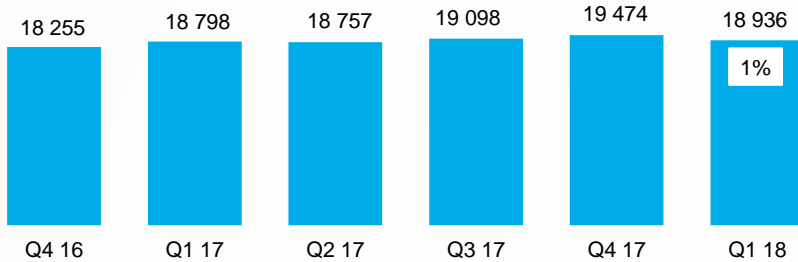


EBITDA and capex (NOK m)

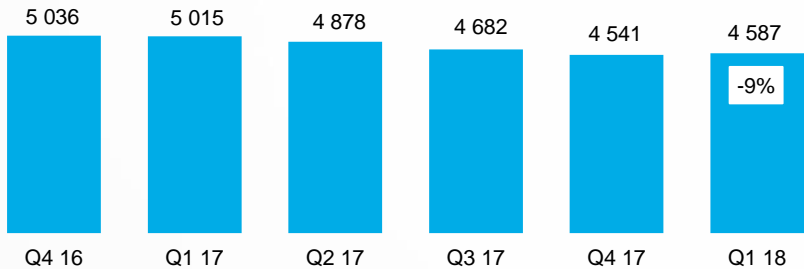


MYANMAR

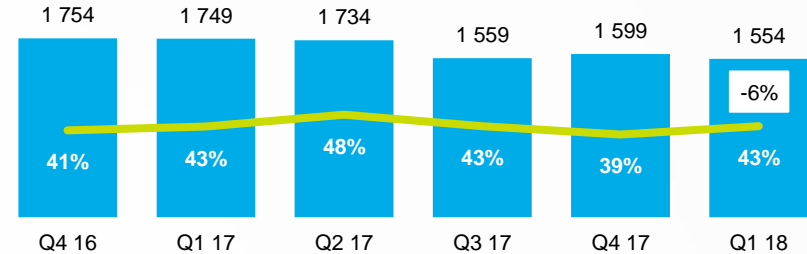
Mobile subscribers ('000)



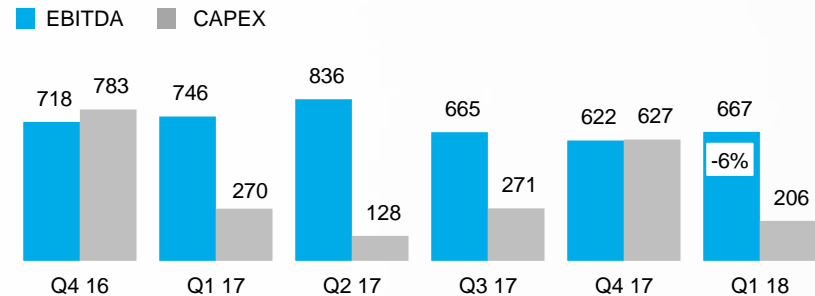
Mobile ARPU (MMK/month)



Revenues (NOK m) and EBITDA margin

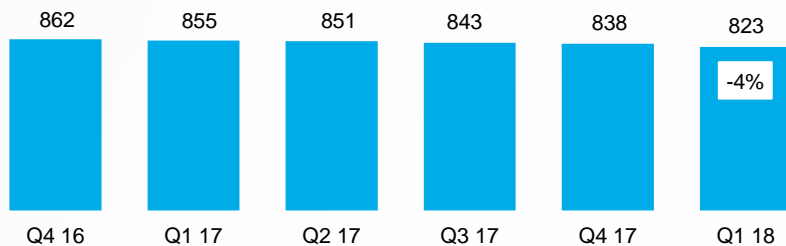


EBITDA and capex (NOK m)

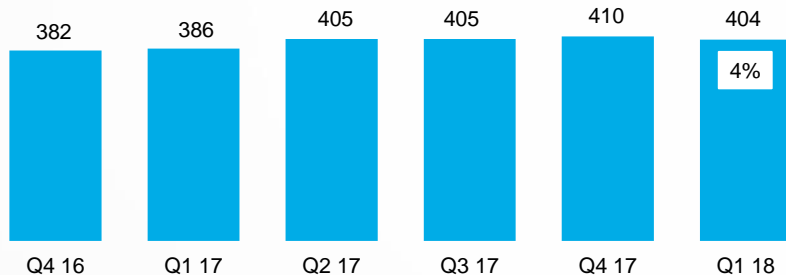


BROADCAST

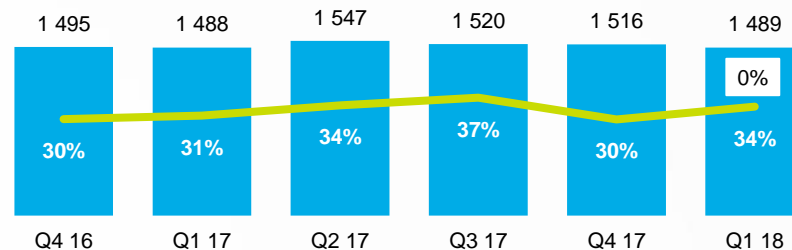
DTH subscribers ('000)



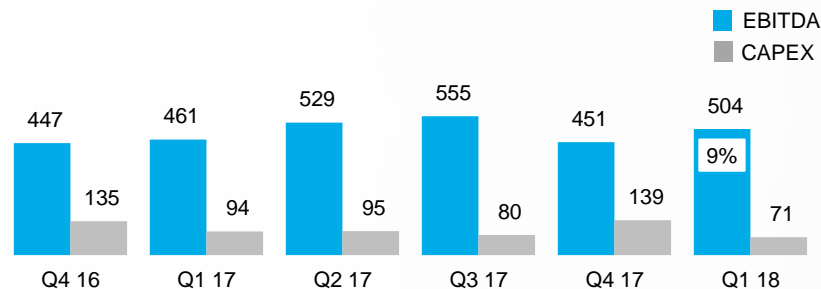
DTH ARPU (NOK/month)



Revenues (NOK m) and EBITDA margin



EBITDA and capex (NOK m)



CHANGES IN REVENUES AND EBITDA

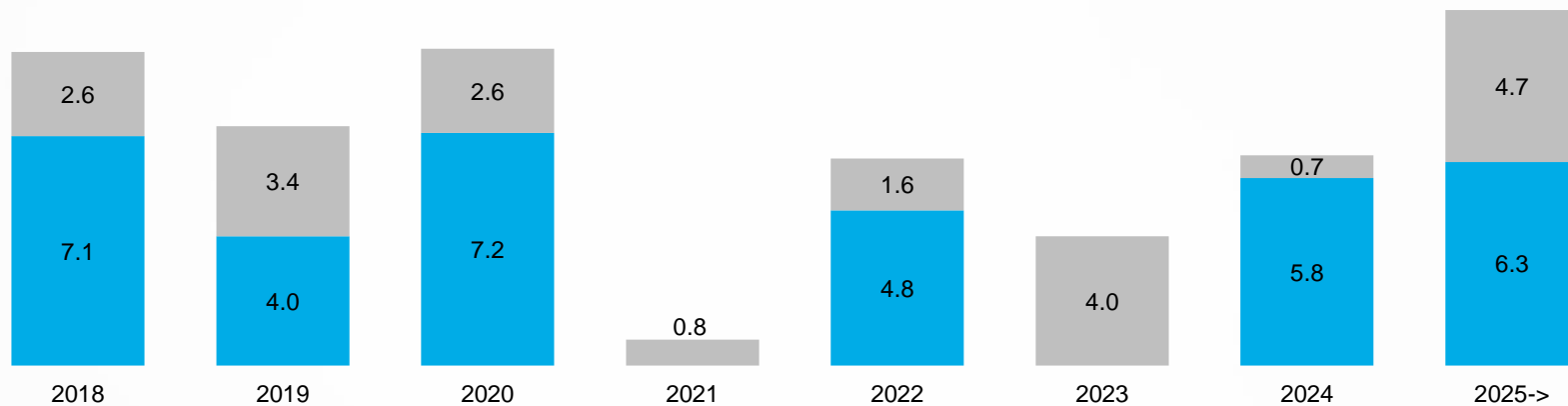
	Revenues		EBITDA	
	Reported	Organic	Reported	Organic
Norway	1.3 %	-0.7 %	7.2 %	7.0 %
Sweden	4.5 %	0.5 %	16.3 %	13.7 %
Denmark	-1.2 %	-7.7 %	11.9 %	4.5 %
Thailand	0.6 %	-2.5 %	25.2 %	21.2 %
Malaysia	6.8 %	1.5 %	8.9 %	3.6 %
Bangladesh	-9.9 %	2.0 %	-10.6 %	1.2 %
Pakistan	-12.7 %	-0.1 %	-14.7 %	-2.4 %
Myanmar	-11.2 %	-6.2 %	-10.6 %	-5.6 %
Broadcast	0.1 %	0.1 %	9.2 %	9.2 %
Telenor Group	-1.8 %	-1.5 %	7.7 %	10.0 %

DEBT MATURITY PROFILE (NOK BN)

Net debt in partly-owned subsidiaries:

NOK bn	Q1 2018	Q4 2017	Q1 2017
Digi	4.3	4.3	4.1
dtac	5.9	5.9	7.8
Grameenphone	0.7	0.7	1.4

■ Subsidiaries
■ Telenor ASA



Per 31 Dec 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

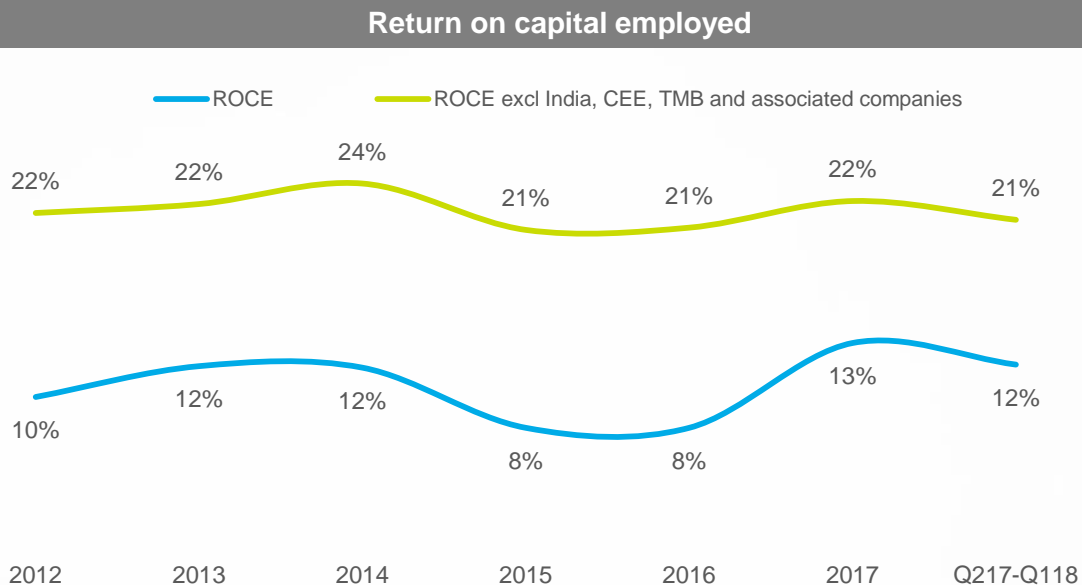
BALANCE SHEET AND KEY RATIOS

	Q1 2018	Q4 2017	Q1 2017
Total assets	196.4	201.8	209.5
Equity attributable to Telenor ASA shareholders	60.4	57.5	54.8
Gross debt*	67.5	74.3	85.5
Net debt	42.2	46.9	53.7
Net debt/EBITDA	0.9	1.0	1.2
Return on capital employed**	12%	13%	7%

*) 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	Q1 2018	Q4 2017	Q1 2017
Current interest bearing liabilities	20.1	22.7	53.0
Non-current interest bearing liabilities	47.4	51.6	32.5
Licence obligations	(2.6)	(2.3)	(2.6)
Debt excluding licence obligations	65.0	72.0	82.9
Cash and cash equivalents	(21.0)	(22.5)	(26.1)
Investments in bonds and commercial papers	(0.3)	(0.8)	(1.0)
Fair value hedge instruments	(1.5)	(1.8)	(2.1)
Net interest bearing debt excl. licence obligations	42.2	46.9	53.7

PRIORITIES FOR CAPITAL ALLOCATION

Solid balance sheet

Net debt / EBITDA

<2.0x

Attractive shareholder remuneration

Ordinary **dividend**: Year-on-year

Growth

Buybacks and/or special dividends
to be considered
on a case-by-case basis

Value-accretive investments

Network investments prioritized
towards **growth** and
maintaining **market positions**

Ensure efficient
spectrum portfolios

Selectively explore **inorganic opportunities** within core business
and core geographies