

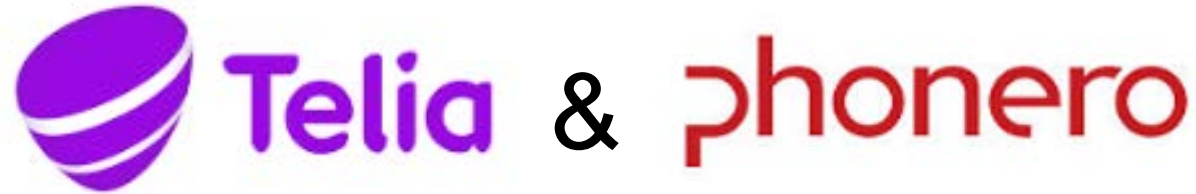


# TELIA COMPANY ACQUIRES PHONERO IN NORWAY

NOVEMBER 7, 2016



# TRANSACTION HIGHLIGHTS AND RATIONALE



## TRANSACTION SUMMARY (NOK)

<b>ENTERPRISE VALUE</b>	<b>2.3 BILLION</b>
<b>PHONERO NET SALES*</b>	<b>1.1 BILLION</b>
<b>PHONERO ADJ. EBITDA*</b>	<b>0.2 BILLION</b>
<b>ESTIMATED COST SYNERGIES</b>	<b>0.4 BILLION</b>
<b>EV/EBITDA MULTIPLE**</b>	<b>3.7x</b>

\* 12-month period ending June 30, 2016

\*\* Including full effect of synergies

- In line with the ambition to strengthen Telia's position in the Norwegian enterprise market
- Annual cost synergies estimated to NOK 0.4 billion, mainly related to migration of customers to Telia's network
- Full effect of synergies expected in 2018, limited in 2017
- Improved customer offerings
- Subject to approval from the Norwegian Competition Authorities
- Expected closing in Q1 2017



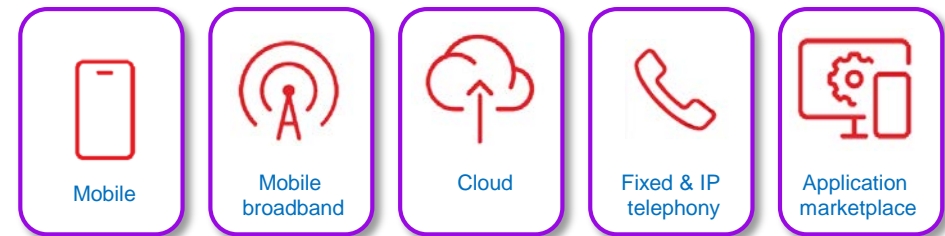
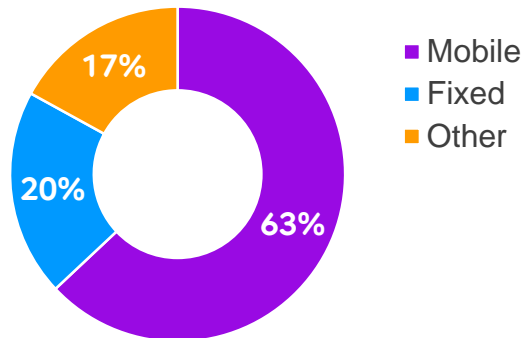
# PHONERO OVERVIEW

## FINANCIAL SUMMARY

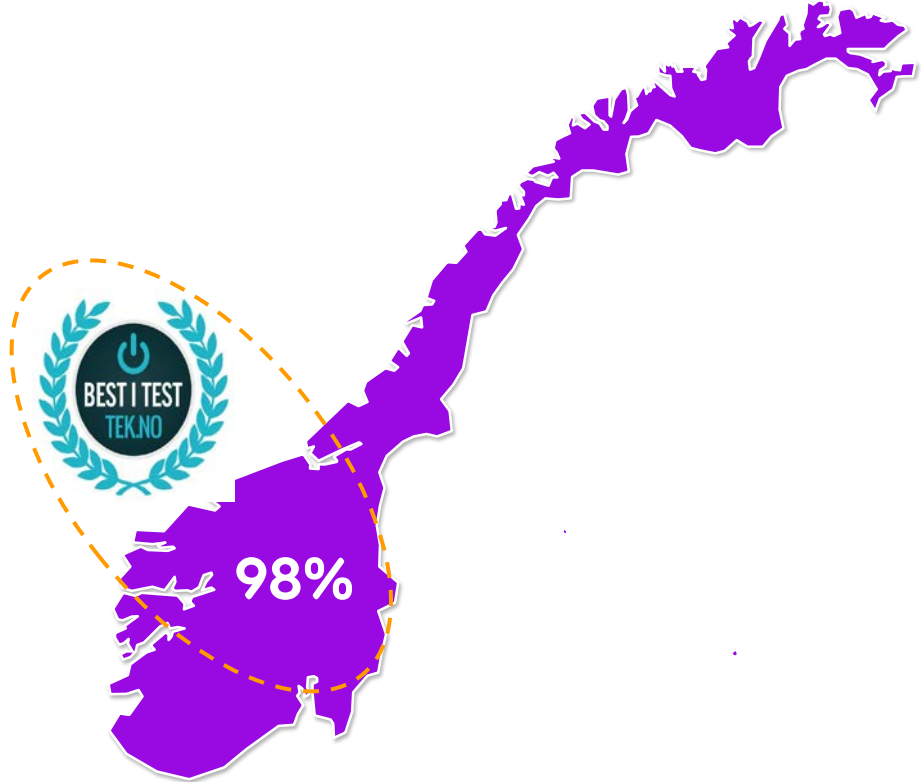
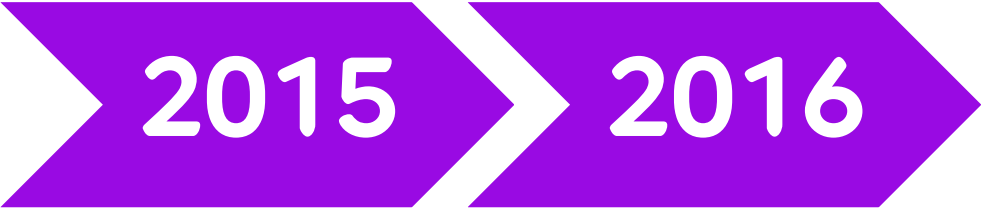
NOK IN MILLION	2014	2015	JUNE 30, 2016, LTM
NET SALES	1,041	1,103	1,104
GROWTH %	-5.6	6.0	
ADJ. EBITDA	135	225	217
EBITDA MARGIN %	12.9	20.4	19.7

- Norwegian operator founded in 2008
- Services to small and medium sized businesses and the public segment
- 25,000 invoiced customers with 250,000 mobile subscriptions
- The organization comprises 176 employees
- Full service offerings

## NET SALES SPLIT JUNE 30, 2016, LTM



# ON THE WAY TO CREATE A FULL-SERVICE PROVIDER



- Significantly strengthened B2C/B2B offerings and market position

- Telia's 4G population coverage in Norway improved from 81% to 98% in the past year



# STRENGTHENED B2B MARKET POSITION

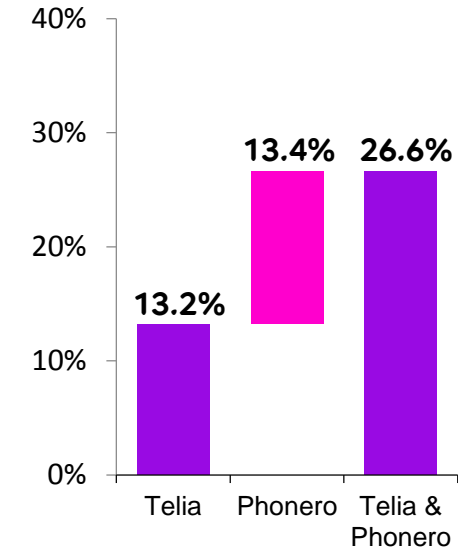
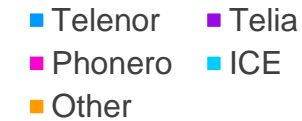
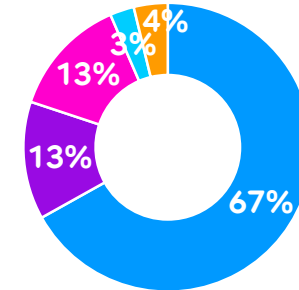
B2B MOBILE MARKET SHARE  
INCREASE FROM 13% TO 27%

STRENGTHENED POSITION IN  
SME & PUBLIC SEGMENTS

ADDS 25,000 CUSTOMERS WITH  
250,000 MOBILE SUBSCRIPTIONS

## MOBILE B2B MARKET SHARE, H1 2016

Revenue market share



Source: NKOM, H1 2016

- Strong #2 market position in Norwegian B2B post transaction



# GOOD STRATEGIC MATCH AND IMPROVED OFFERINGS

## TELIA NORWAY BRAND PORTFOLIO



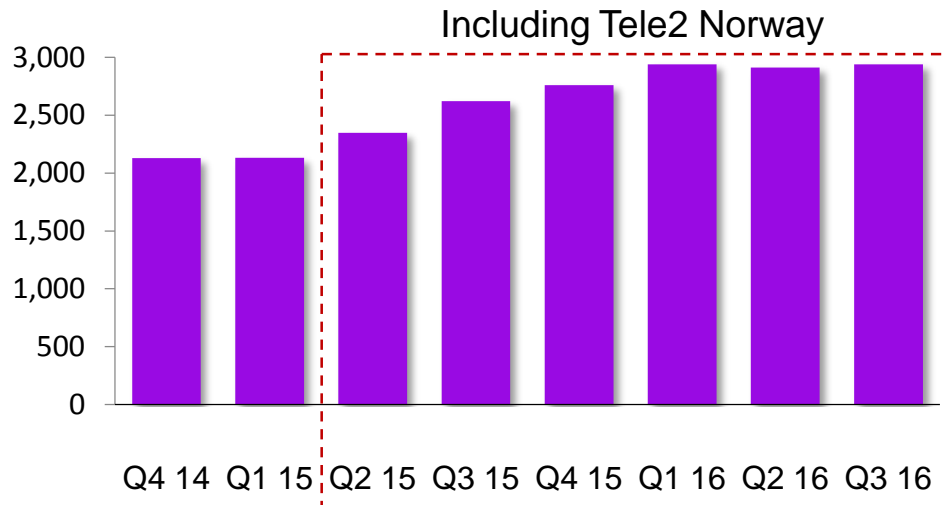
- Good strategic fit to the current brand portfolio
- Addressing relative weakness in business segment
- Strong brand name to be further leveraged as part of Telia Norway and award-winning 4G network
- Chess, MyCall and OneCall to stay within their respective segments
- Complete B2B mobile offering



# STRONG SYNERGY TRACK RECORD IN NORWAY

## TELIA NORWAY EBITDA\*, LTM

Reported SEK in million, last twelve months (LTM)



\* Excluding non-recurring items

- Zero margin Tele2 Norway business acquired in 2015 turned to margin booster due to realized synergies of SEK 1 billion

JUNE 30 2016, LTM	TELIA NORWAY	PHONERO
NET SALES (SEK BILLION)	8.9	1.1
EBITDA* (SEK BILLION)	2.9	0.2
EBITDA MARGIN* (%)	32.9	19.7
MOBILE SUBSCRIPTIONS (000)	2,272	250

\* Excluding non-recurring items

- Estimated yearly cost synergies of NOK 0.4 billion from the Phonero transaction with full effect in 2018



# TRANSACTION SUMMARY

STRENGTHENED B2B MARKET SHARE

SIZABLE SYNERGIES ESTIMATED

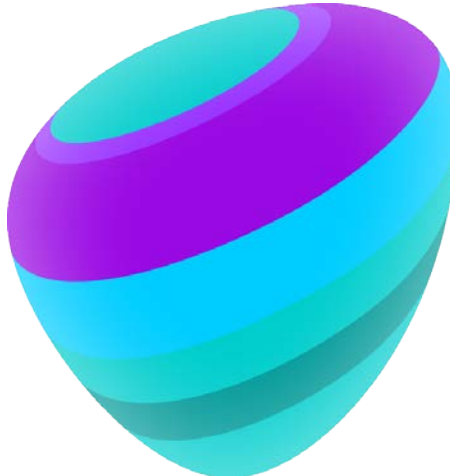
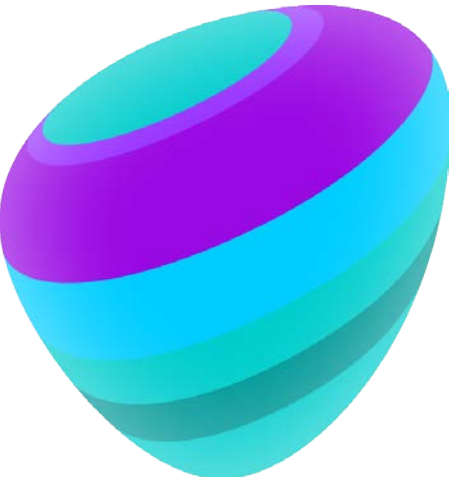
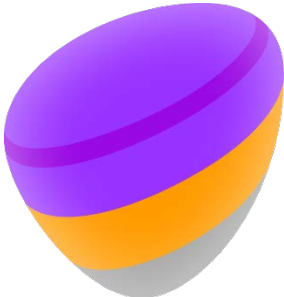
GOOD STRATEGIC FIT & IMPROVED CUSTOMER OFFERINGS







Q&A



# FORWARD-LOOKING STATEMENTS

Statements made in this document relating to future status or circumstances, including future performance and other trend projections are forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of Telia Company.

