



RESULTS FOR THE 6 MONTHS OF 2018

Telia Lietuva, AB Group





**TELIA LIETUVA PROVIDES TELECOMMUNICATION,
IT & TV SERVICES IN LITHUANIA FROM A SINGLE
POINT**

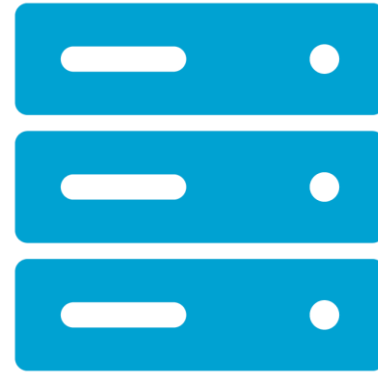
TELIA LIETUVA MEANS:



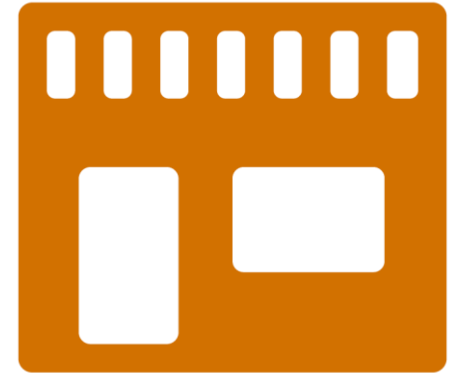
Wide range of
services



The most developed
networks



Modern data
centres



Everything from a
single point



TELIA LIETUVA MEANS:



Customer care
24/7/365



Quality of operations'
management
confirmed by ISO
certificates



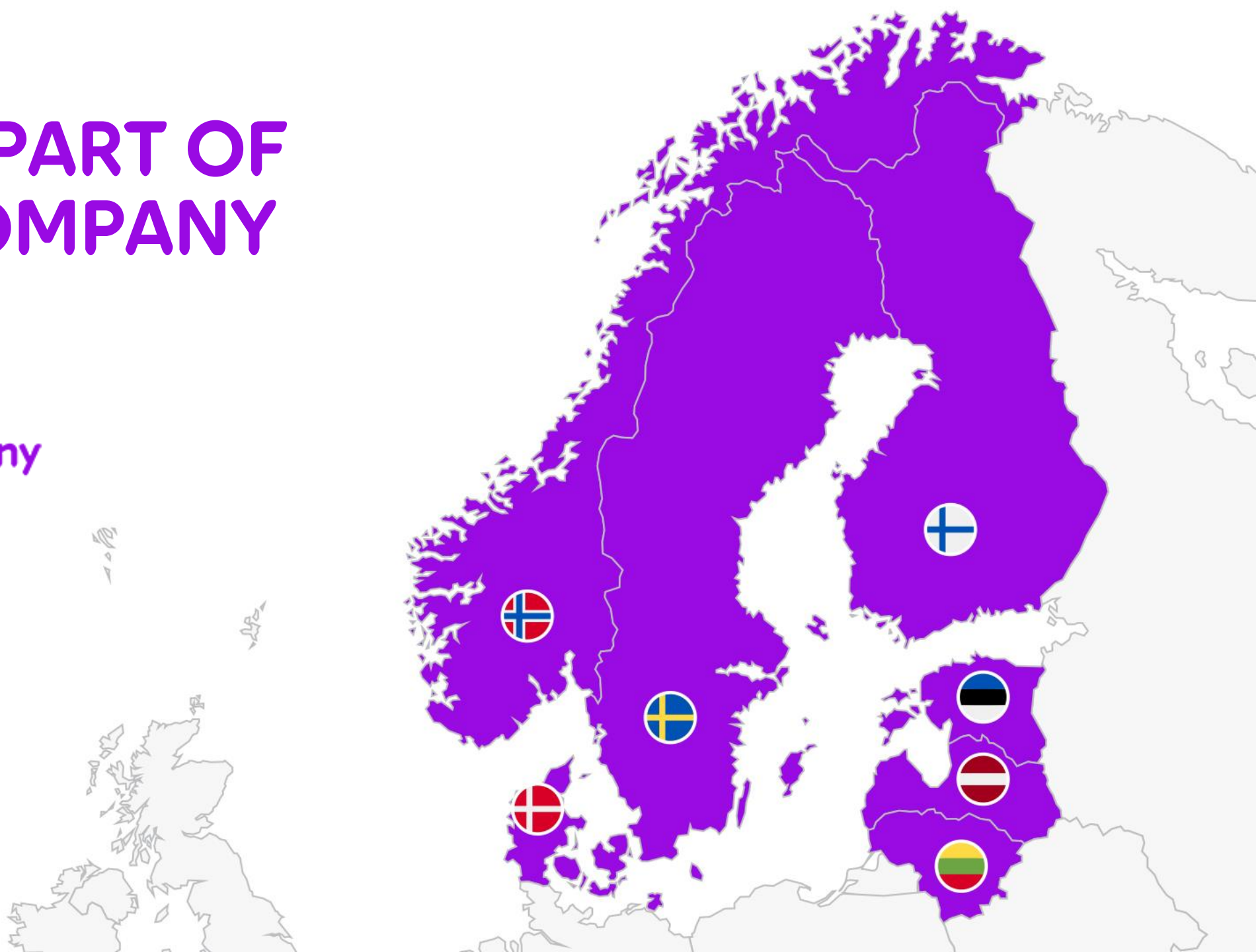
Team of almost
3,000 professionals



Sustainable and
responsible
business



WE ARE PART OF TELIA COMPANY GROUP



**OUR PURPOSE:
BRINGING THE
WORLD CLOSER –
ON THE CUSTOMER'S
TERMS**



OUR VALUES



We dare to:

- innovate
- lead
- speak-up

We care for:

- our customers
- each other
- our world

We simplify:

- execution
- teamwork
- our operations



TELIA LIETUVA GROUP

TELIA LIETUVA, AB

Telia Customer Service LT, UAB	100 %
UAB Verslo Investicijos	100 %
VšĮ Numerio Perkėlimas	50 %
UAB Mobilieji Mokėjimai	33.3 %

- **Telia Lietuva** provides integrated mobile and fixed communication and IT services
- **Telia Customer Service LT** remotely takes care of Telia Lietuva customers and provides Directory Inquiry services 118
- **Verslo Investicijos** implements an investment project in Vilnius, at Lvovo str. 21A
- **Numerio Perkėlimas** administers the central database to ensure telephone number portability in Lithuania (Tele2 and Bitė Lietuva owns 25% each)
- **Mobilieji Mokėjimai** creates a platform for instant payments (Tele2 and Bitė Lietuva owns 33.3% each)
- On 1 June 2018, **Telia Global Services Lithuania** was sold by Telia Lietuva to Telia Company. Prior to that, 196 employees of Telia Lietuva were moved to Telia Global Services Lithuania and it became a Vilnius based services center of Telia Group



HIGHLIGHTS OF Q2 2018

- In June, the Company launched **IPTV over LTE 4G network** and flexible IPTV service payment plans
- Almost **20 thousand** customers already have used the unique in the market converged offer “**Telia One**”
- “**Smart home**” solution was offered in June
- Telia Lietuva received **Platinum Partner certificate from HP Enterprise** and was named as **Microsoft partner of the year** in Lithuania
- Shareholders elected **4 new members of the Board** and elected **Deloitte Lietuva as independent auditor** for the year 2018 and 2019
- In May, the Company paid out **EUR 40.8 million or EUR 0.07 per share dividend** for the year 2017
- In June, Telia Lietuva was awarded as **The Most Desired Employer of the Year** for the second year in a row by business daily Verslo Žinios



OPERATING FIGURES



4.1%

1,383

thousand of
mobile service users



1.5%

411

thousand of
broadband Internet
(excl. Wi-Fi)
connections



5.6%

247

thousand of
TV service users



11.8%

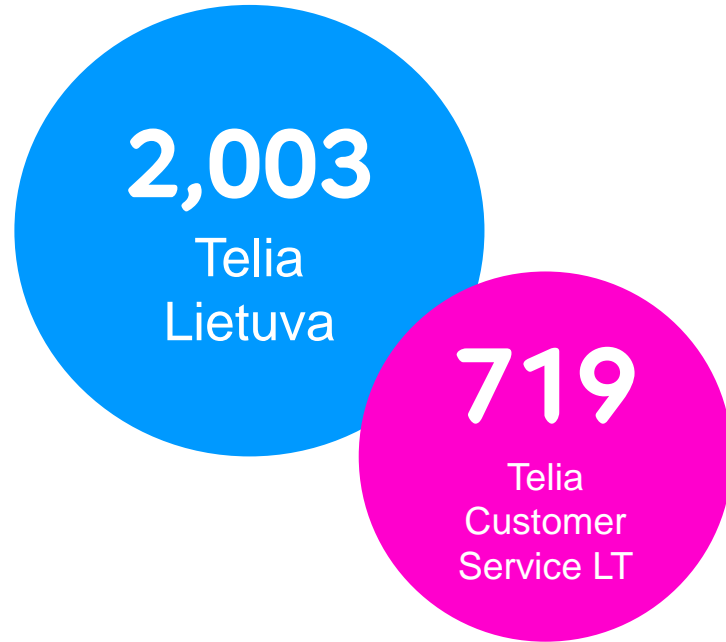
389

thousand of
fixed telephone lines
in service

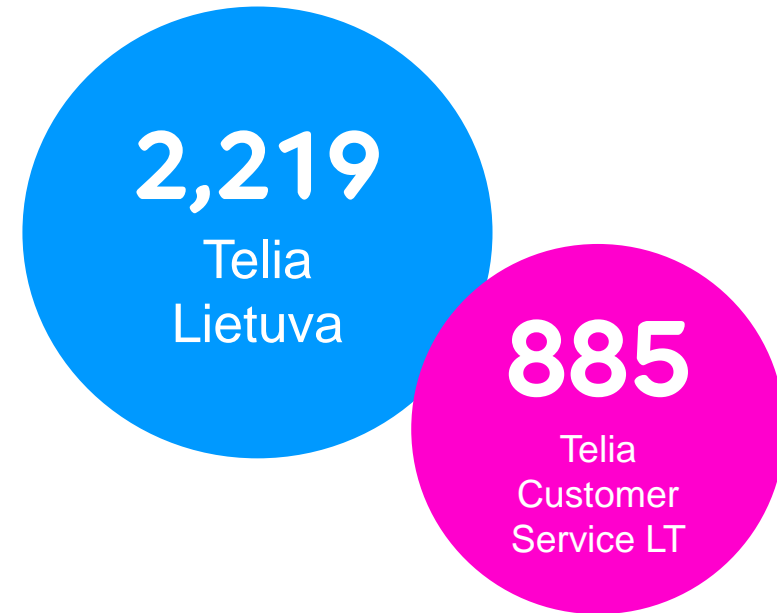
Data as of 30-06-2018 & change (y-o-y)



NUMBER OF EMPLOYEES



In total **2,722** (30-06-2018)



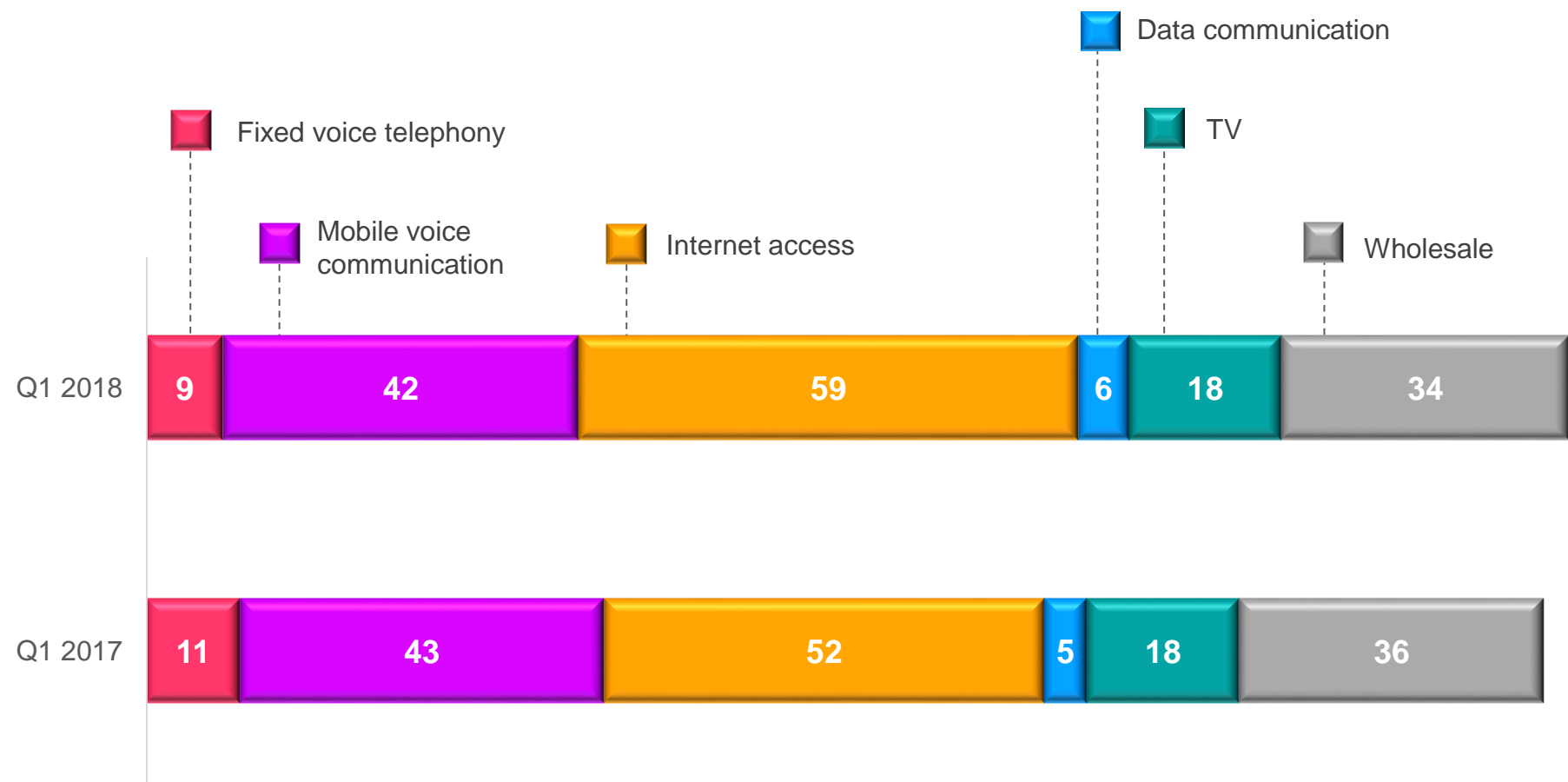
In total **3,104** (30-06-2017)



ELECTRONIC COMMUNICATIONS MARKET OF LITHUANIA

WE ARE OPERATING IN GROWING TELCO MARKET

(EUR million)

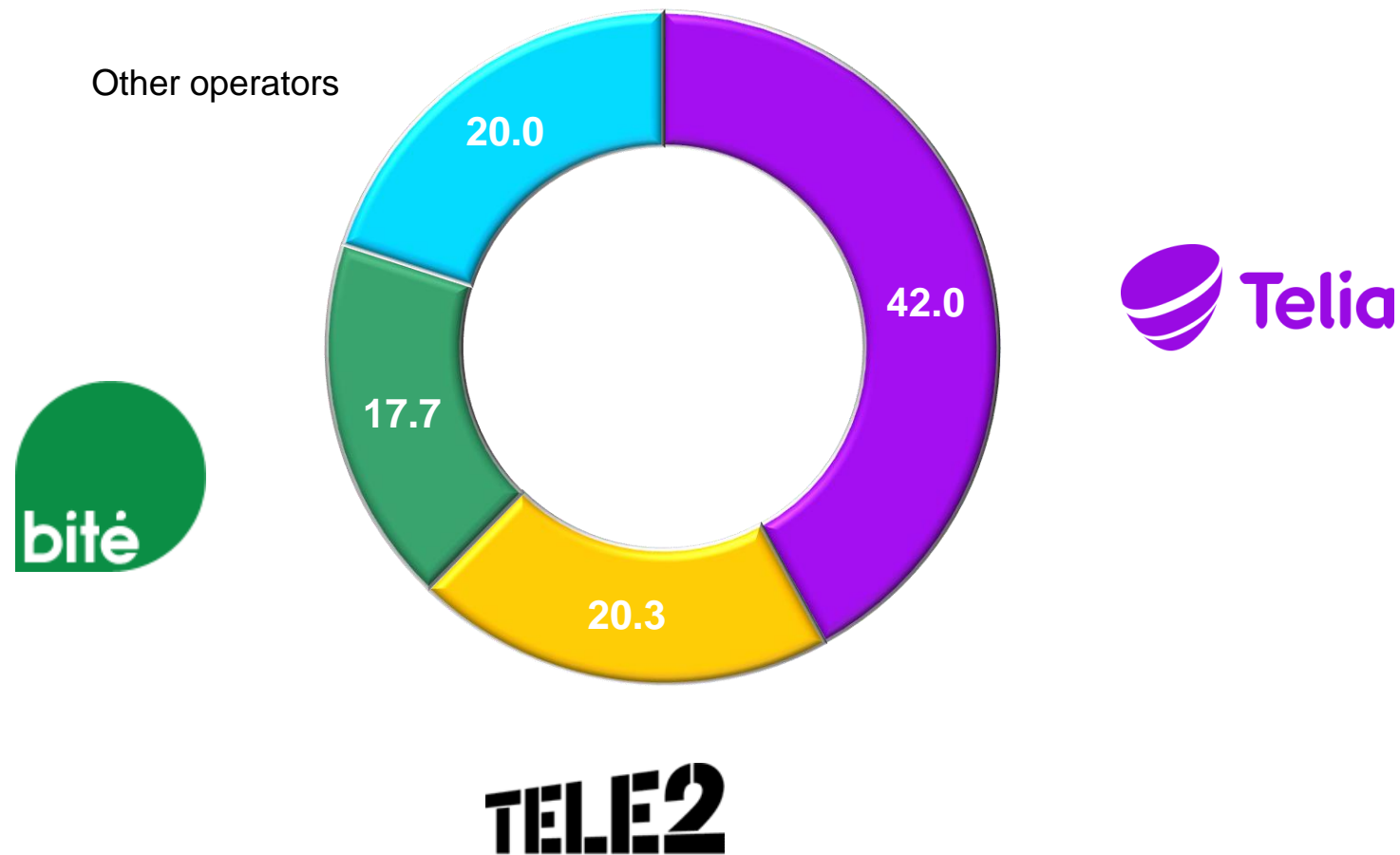


+1.6%

Source: Report of the Communications Regulatory Authority



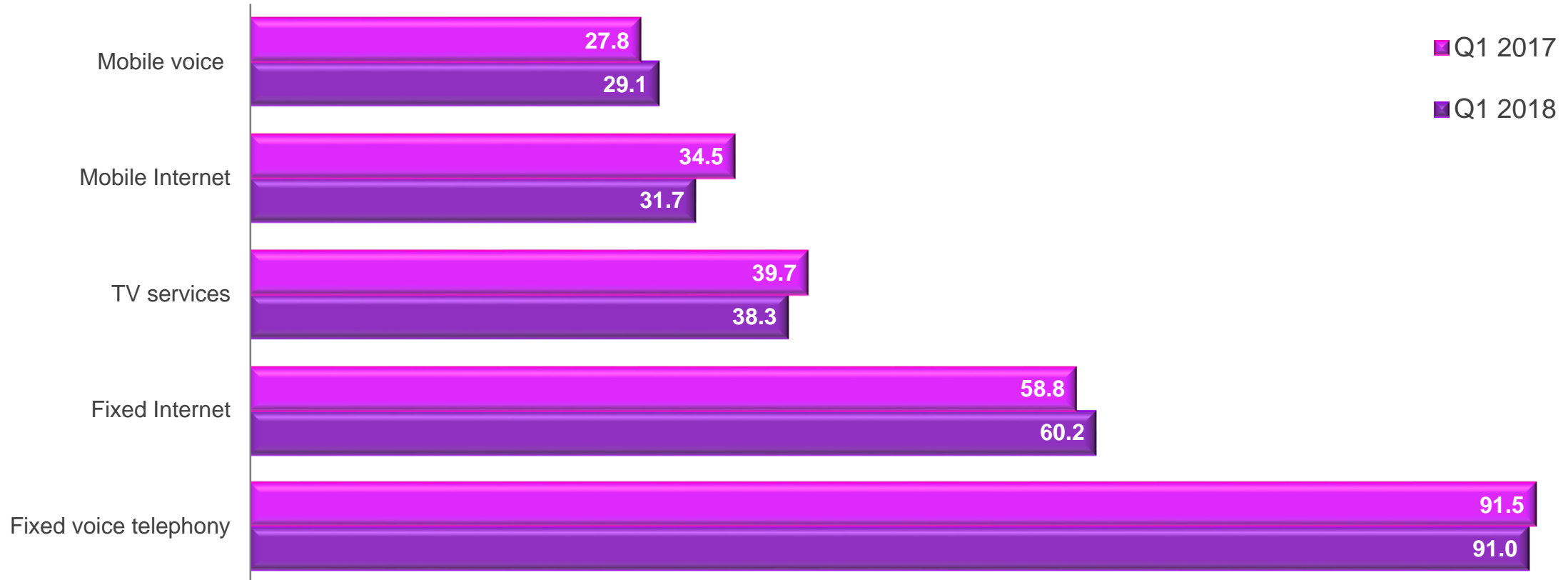
BREAKDOWN OF THE TELECOMMUNICATIONS MARKET REVENUE BY OPERATORS FOR Q1 2018 (%)



Source: Report of the Communications Regulatory Authority



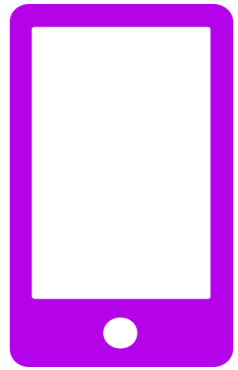
TELIA LIETUVA MARKET SHARES IN TERMS OF REVENUE (%)



Source: Report of the Communications Regulatory Authority



MARKET: THE FASTEST GROWTH IN USAGE OF DATA



58.7%
(y-o-y)

Increasing usage of
mobile data

(uploaded/downloaded
58,262 million MB
of data per quarter)



3.5%
(y-o-y)

Growing number of
FTTH/B connections

(accounts for **72%** of all
fixed Internet connections)



11.0%
(y-o-y)

Growing number of
IPTV users

(accounts for **33%** of all
pay-TV service users)



MARKET PENETRATION PER 100 INHABITANTS



136

mobile communications
subscribers



34.1

fixed telephony lines
(households)



42.8

broadband **Internet**
access



52.4

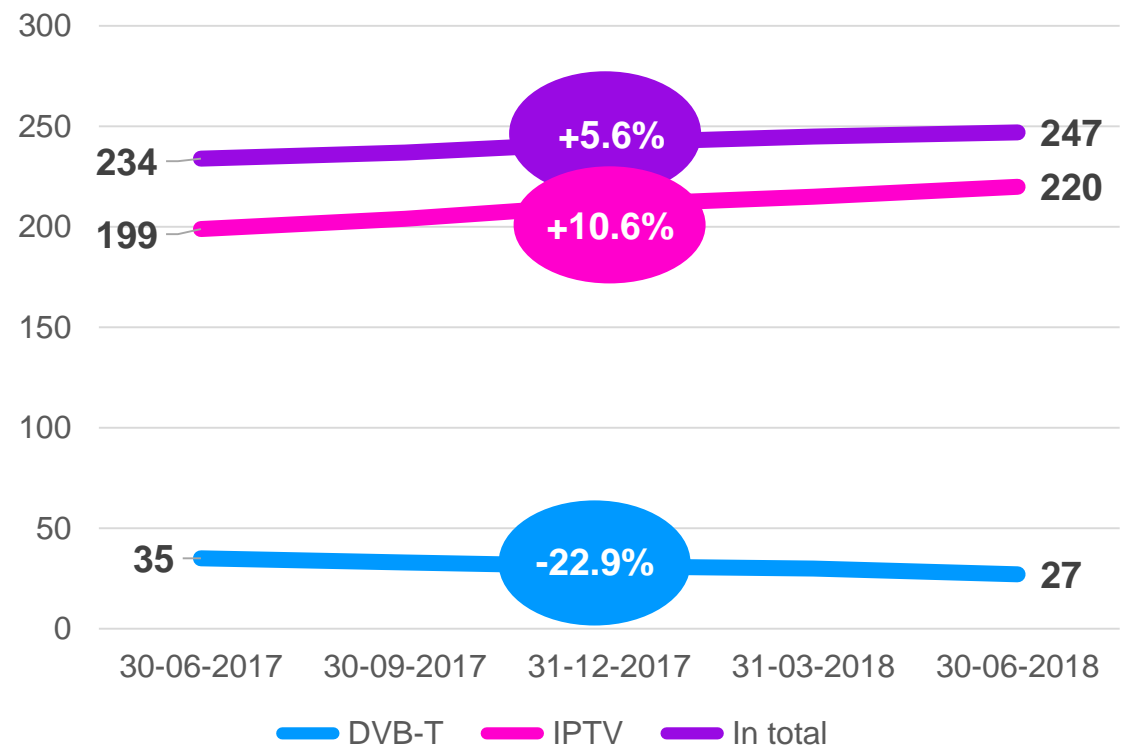
pay-TV subscribers
(households)



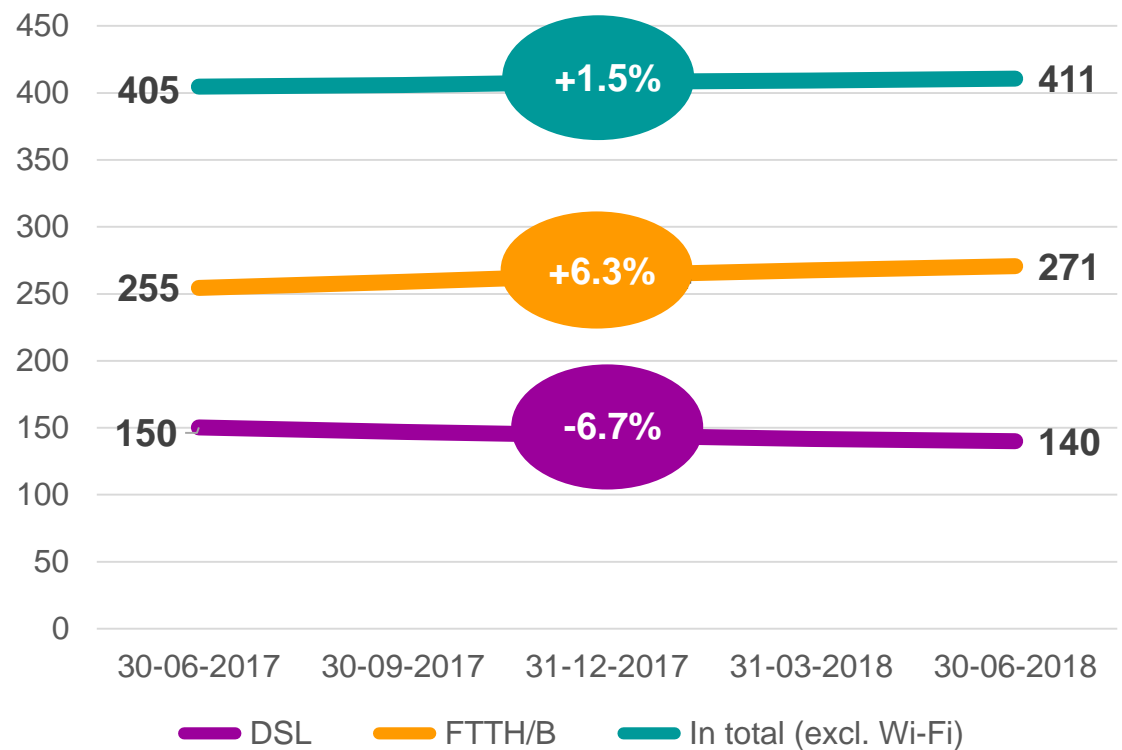
OPERATING AND FINANCIAL RESULTS

CONTINUOUS GROWTH IN NUMBER OF IPTV AND FTTH USERS

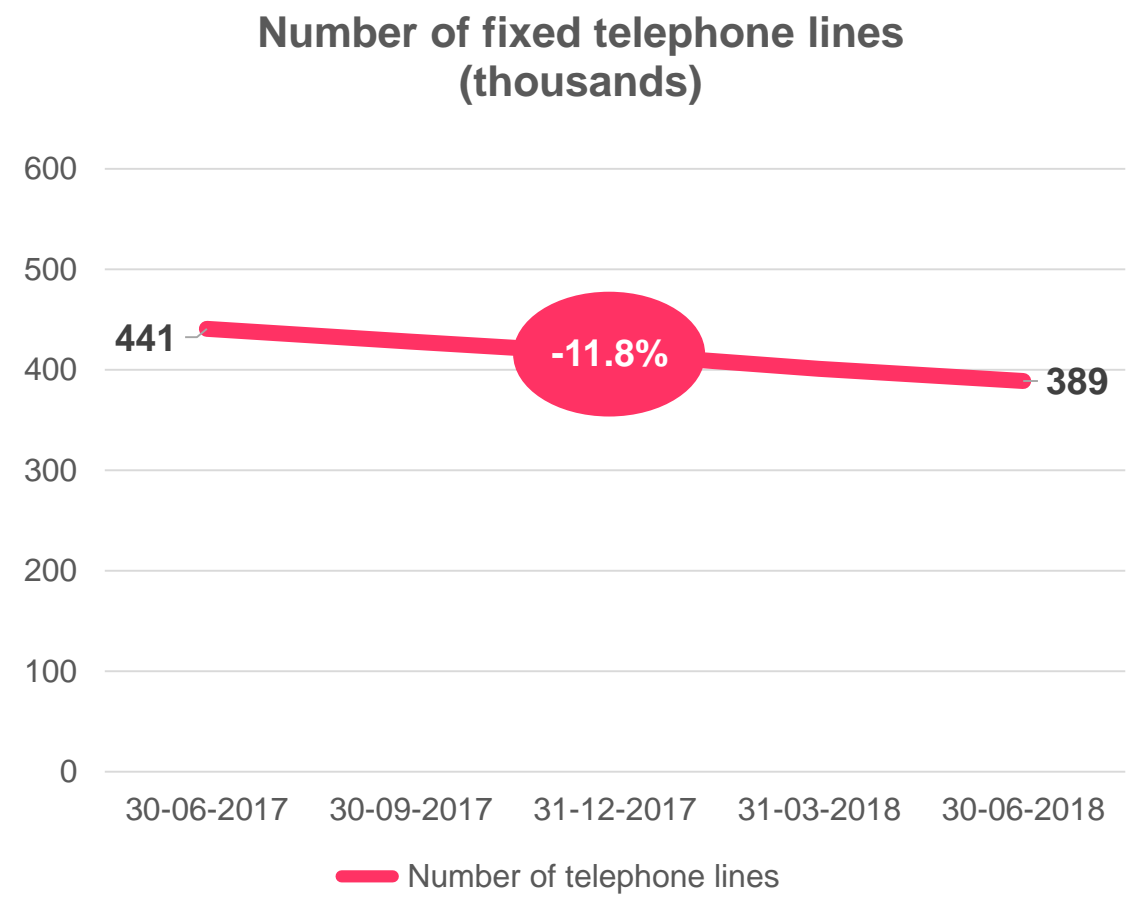
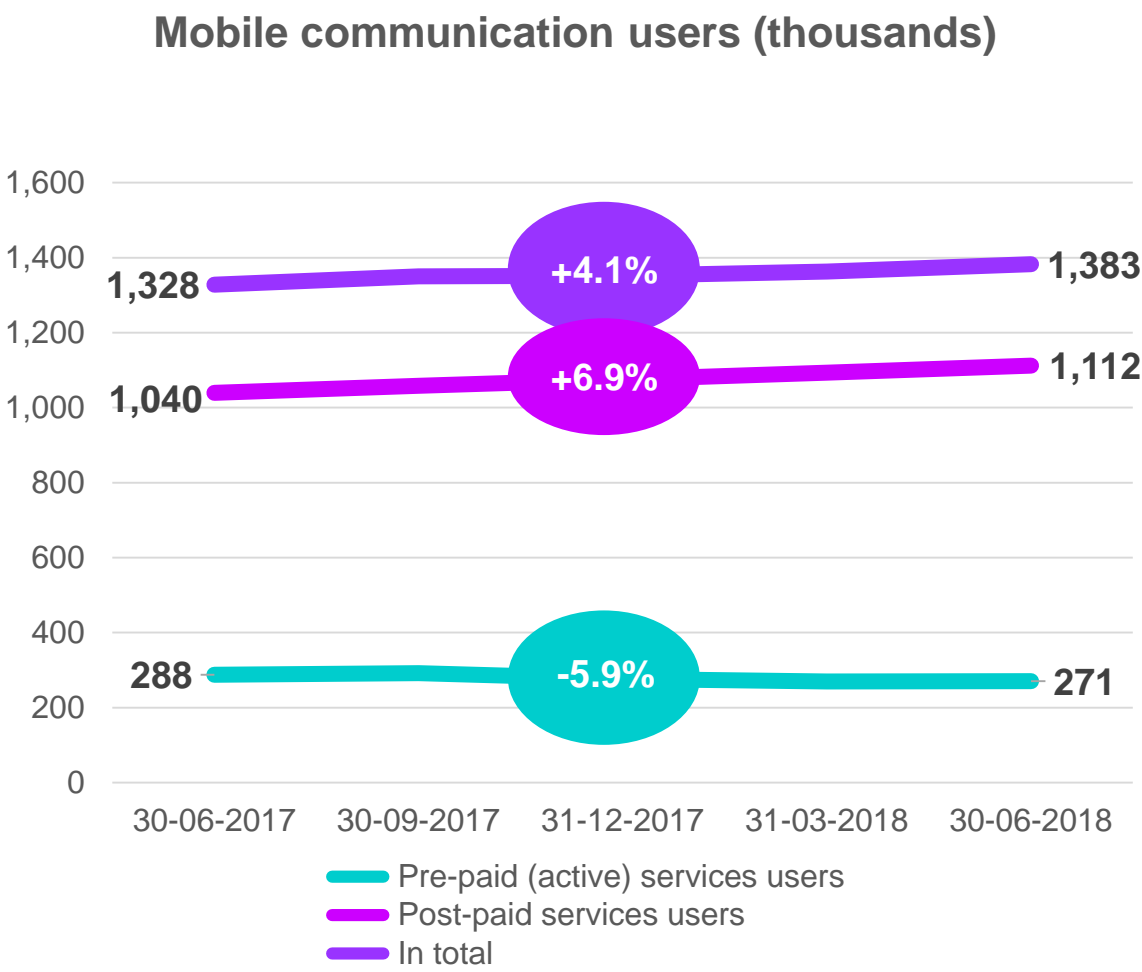
Number of TV service users (thousands)



Number of broadband Internet users (thousands)

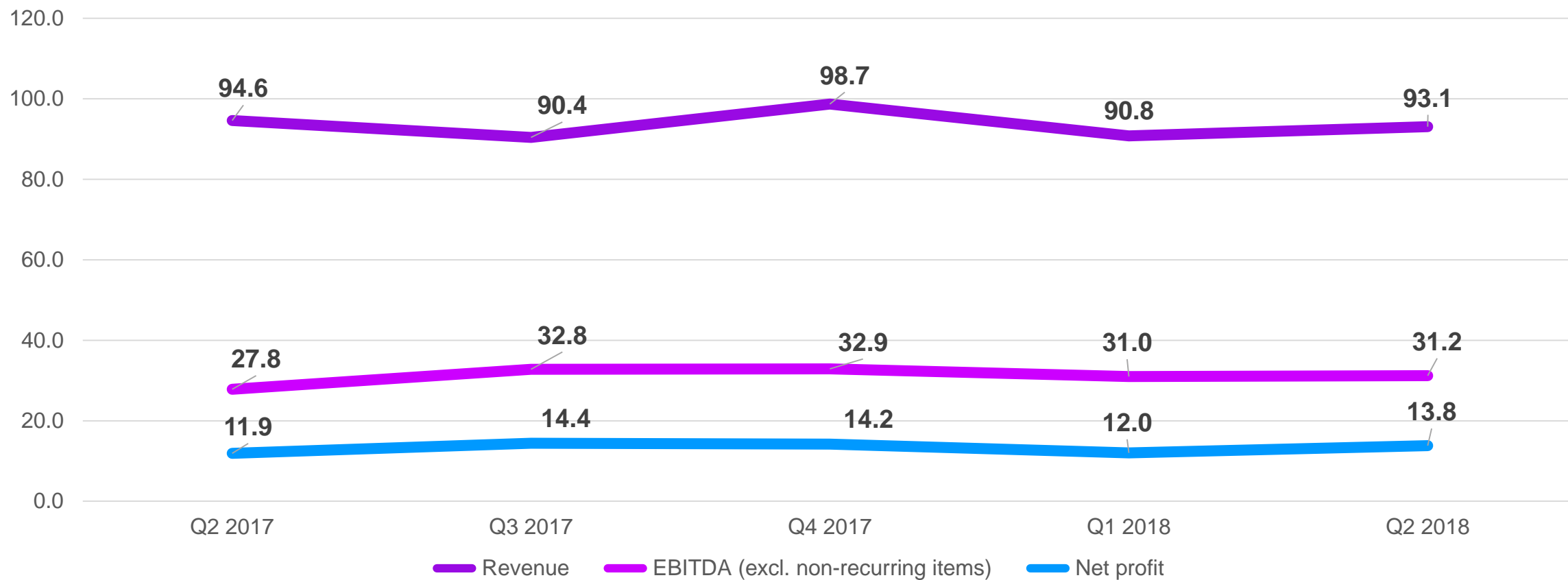


NUMBER OF MOBILE POST-PAID SERVICE USERS IS GROWING



REVENUE, EBITDA & NET PROFIT

(EUR million)

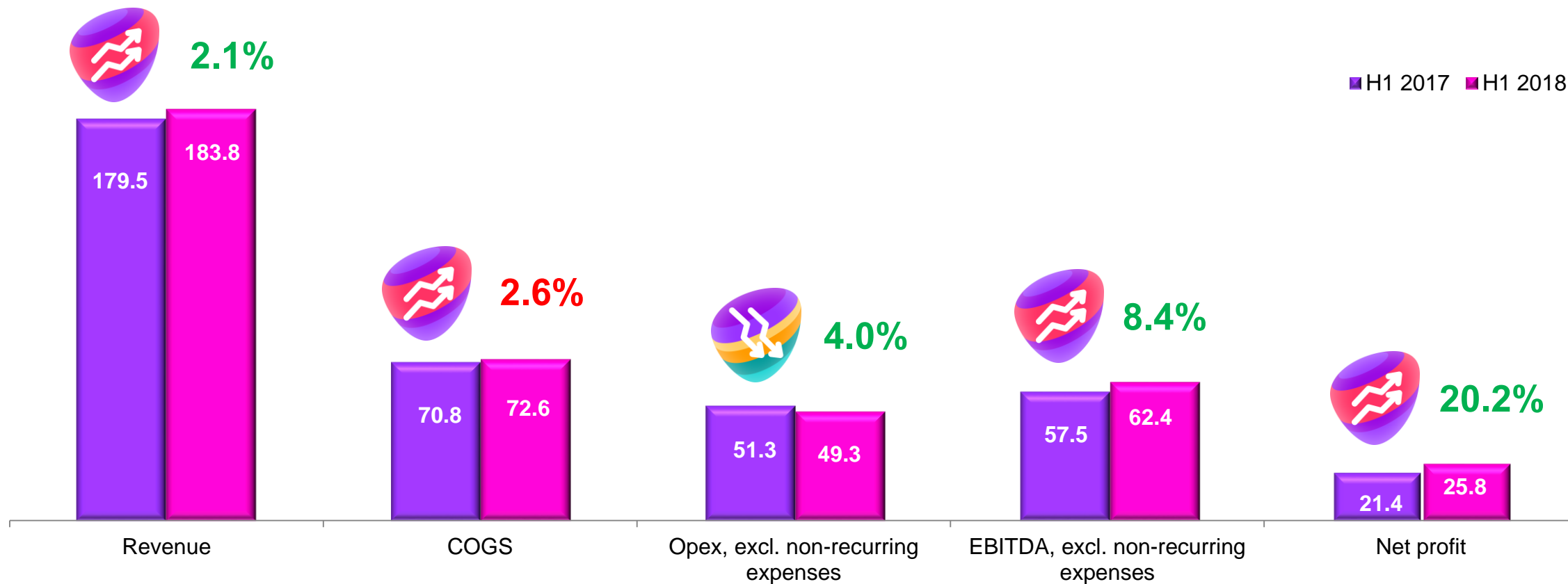


NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



DYNAMICS OF MAIN FINANCIAL INDICATORS

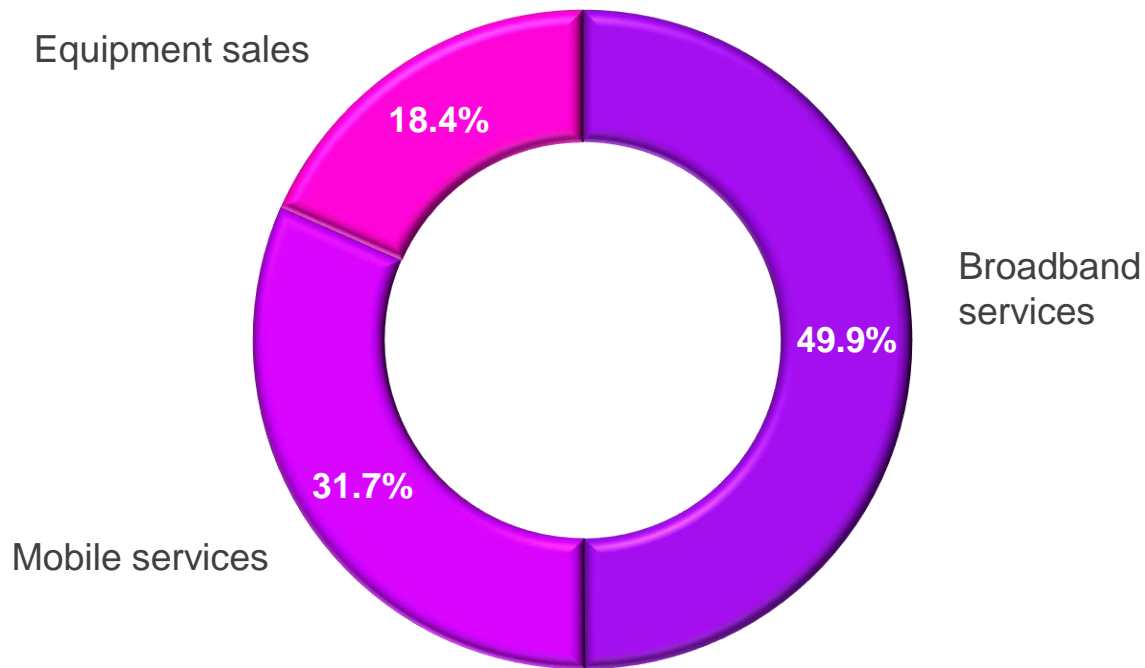
(EUR million)



NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



H1 2018 REVENUE BREAKDOWN



B2B

41.6%



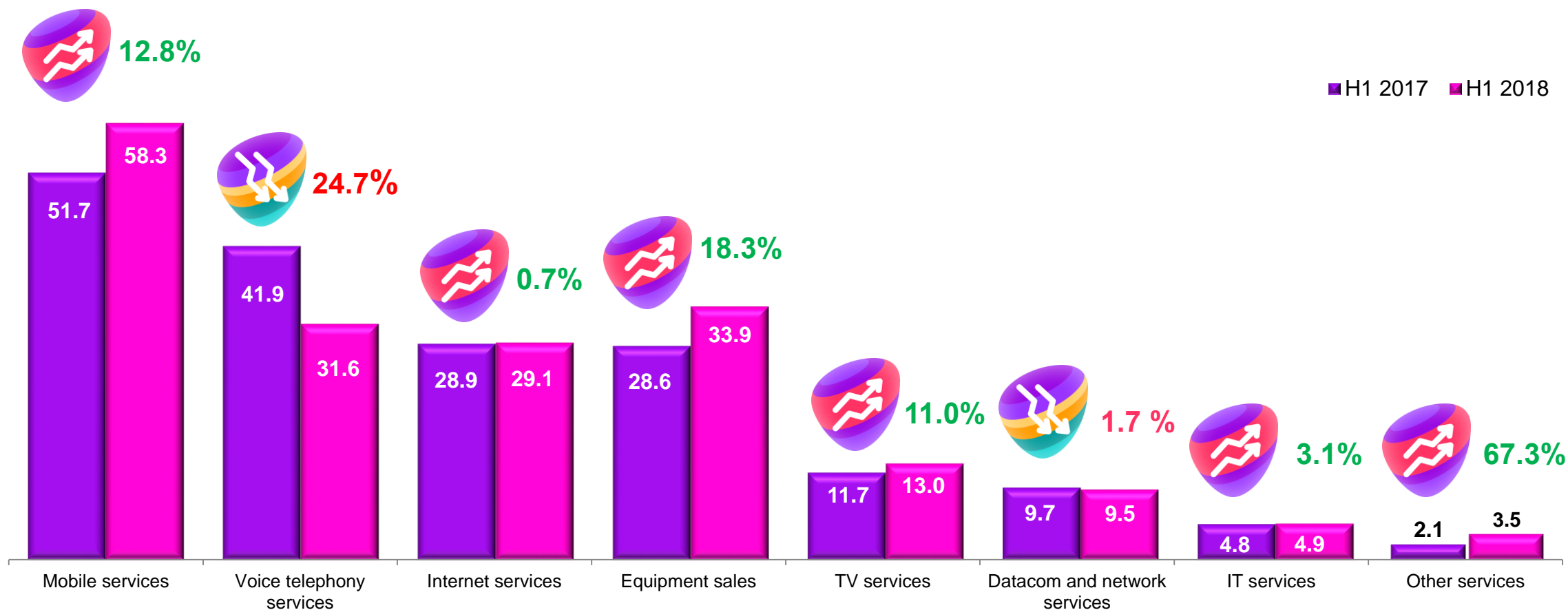
B2C

57.3%



REVENUE BY SERVICES

(EUR million)

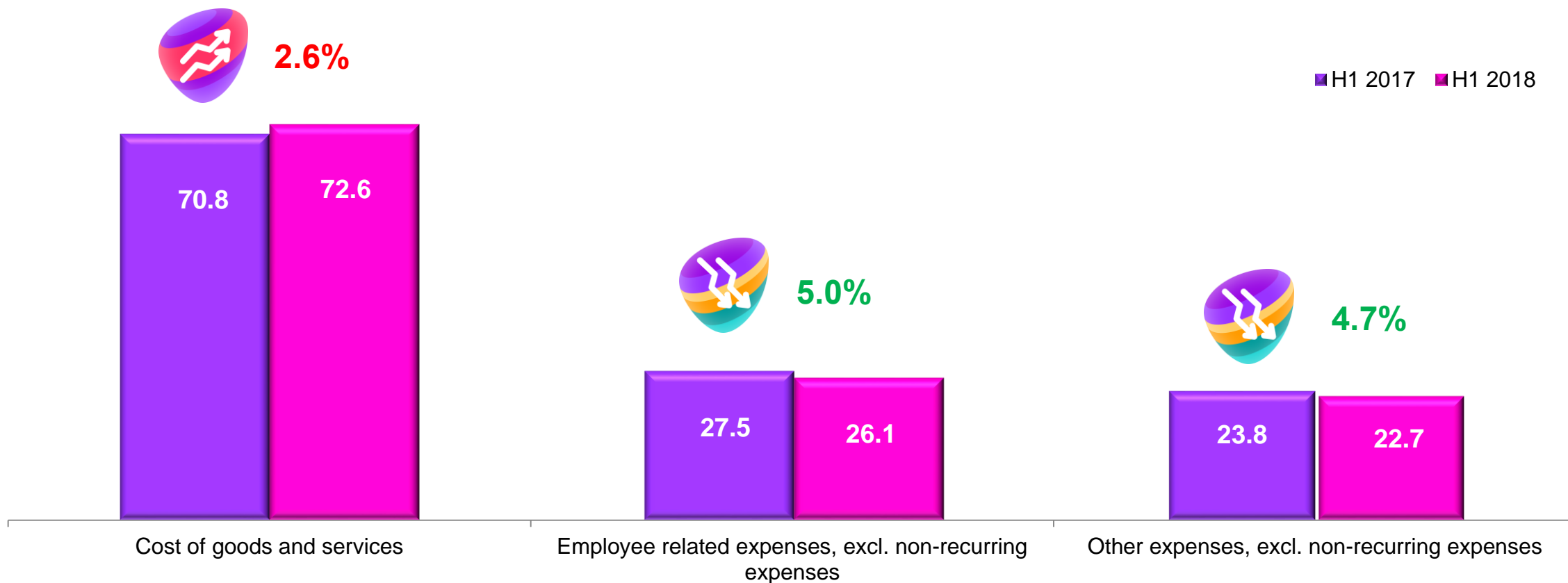


NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



OPERATING EXPENSES

(EUR million)

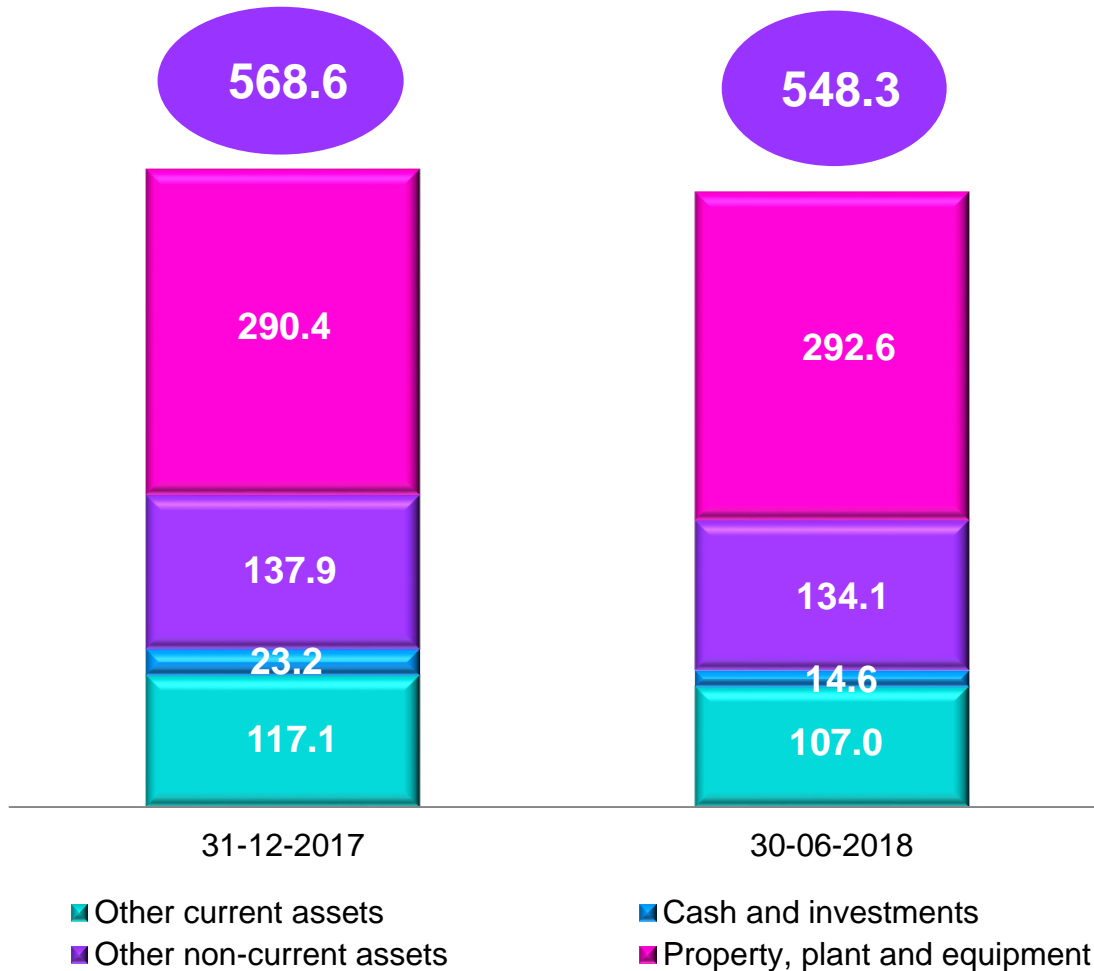


NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



ASSETS

(EUR million)



- During January-June 2018, **total assets** decreased by 3.6%
- **Non-current assets** amounted to 77.8% of total assets (30-06-2018)
- **Cash** alone amounted to 2.6%
- **Return on capital employed:** 13.4%
- **Return on average assets:** 10.8%

NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



EQUITY AND LIABILITIES

(EUR million)



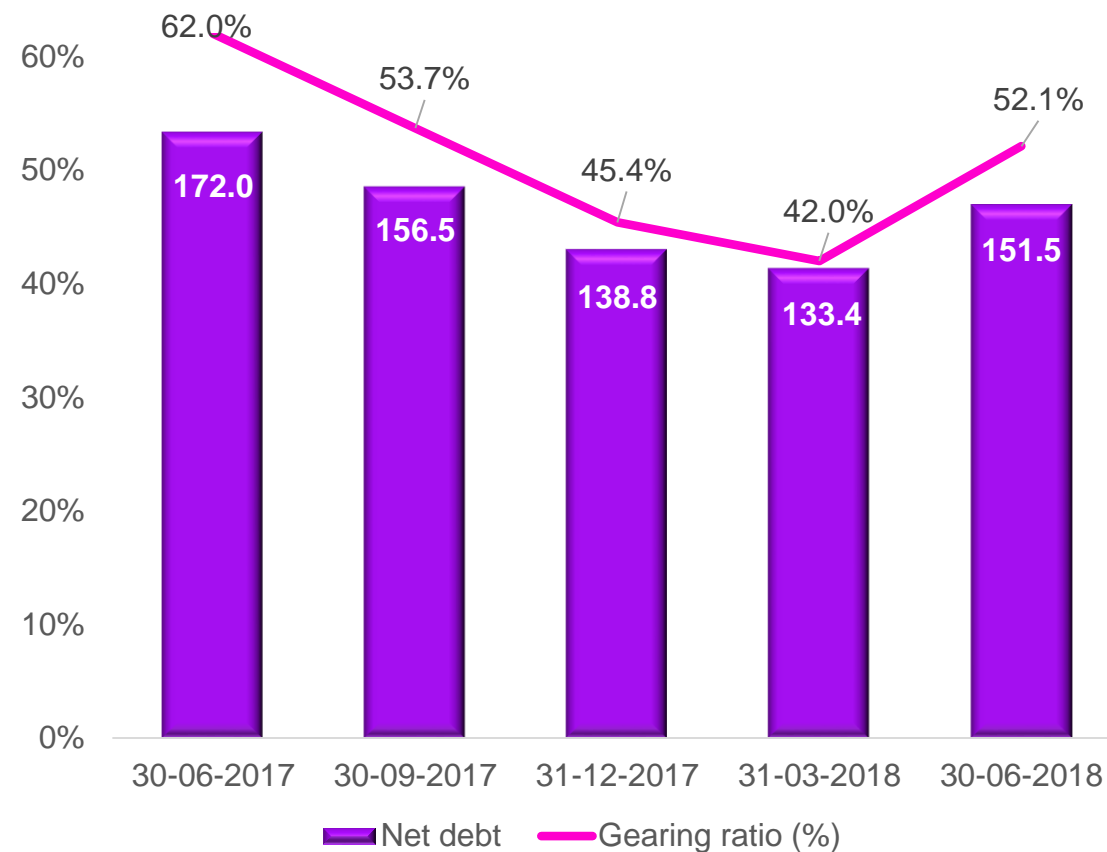
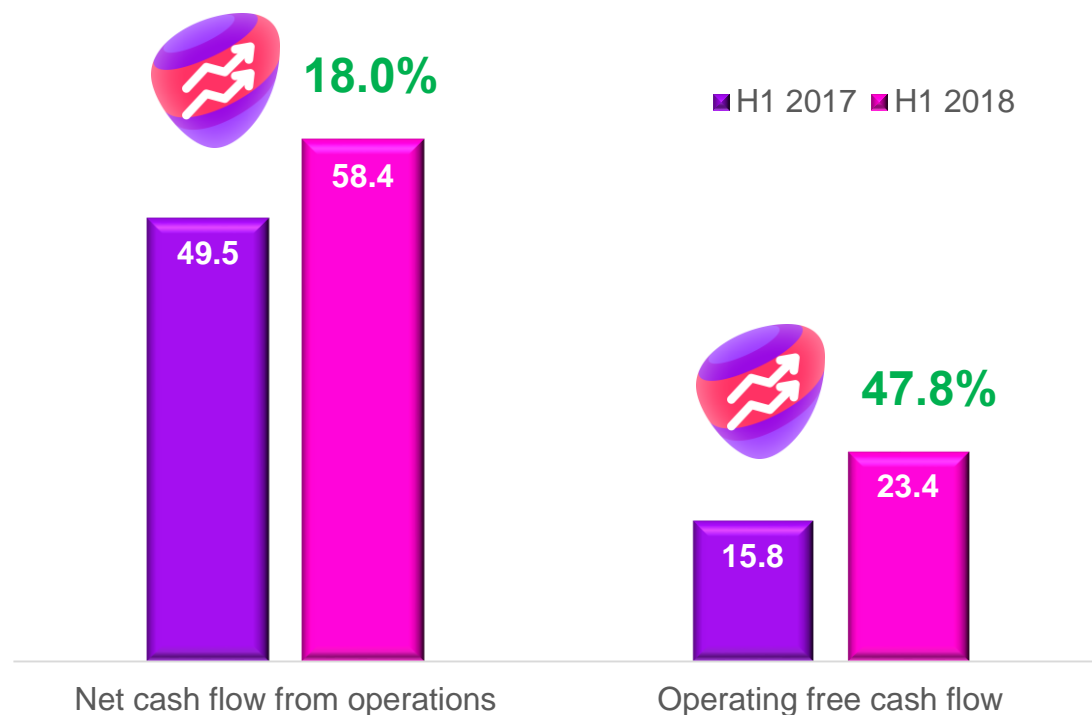
- Shareholders' **equity** amounted to 53% of the total assets (30-06-2018)
- Total **borrowings** amounted to EUR 166.1 million (30-06-2018)
- **Gearing ratio**: 52.1%
- **Debt to equity**: 57.1%
- **Return on equity**: 18.0%

NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



CASH FLOW & NET DEBT

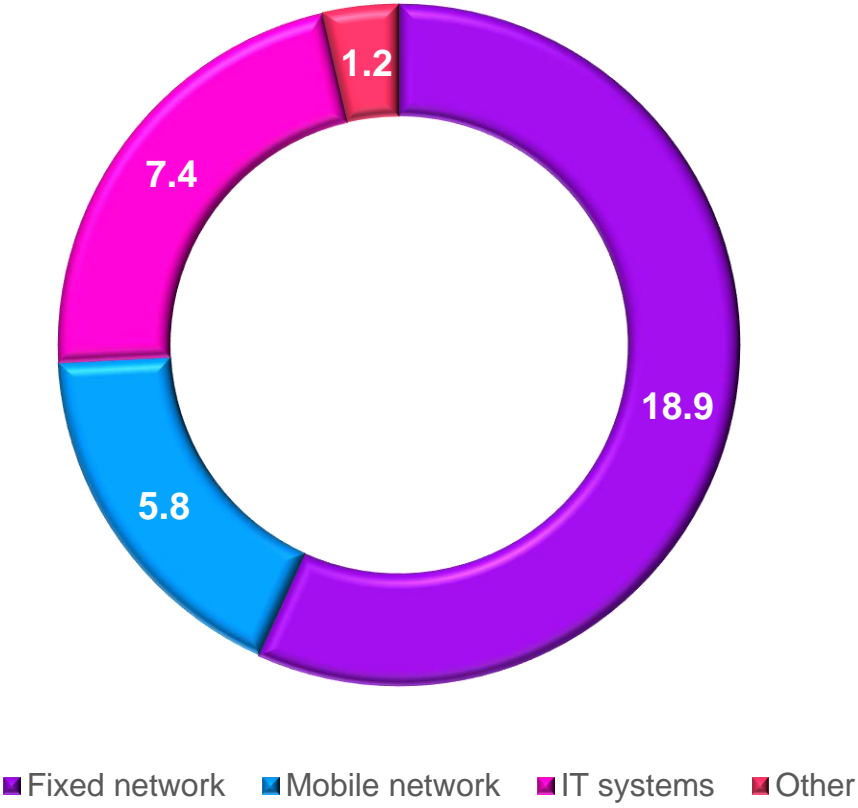
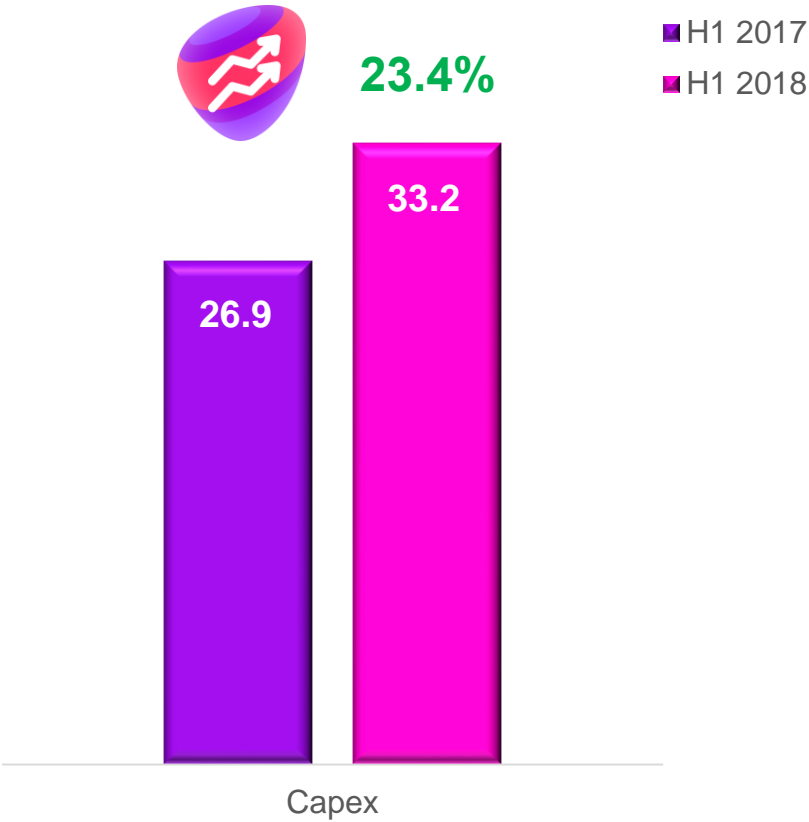
(EUR million)



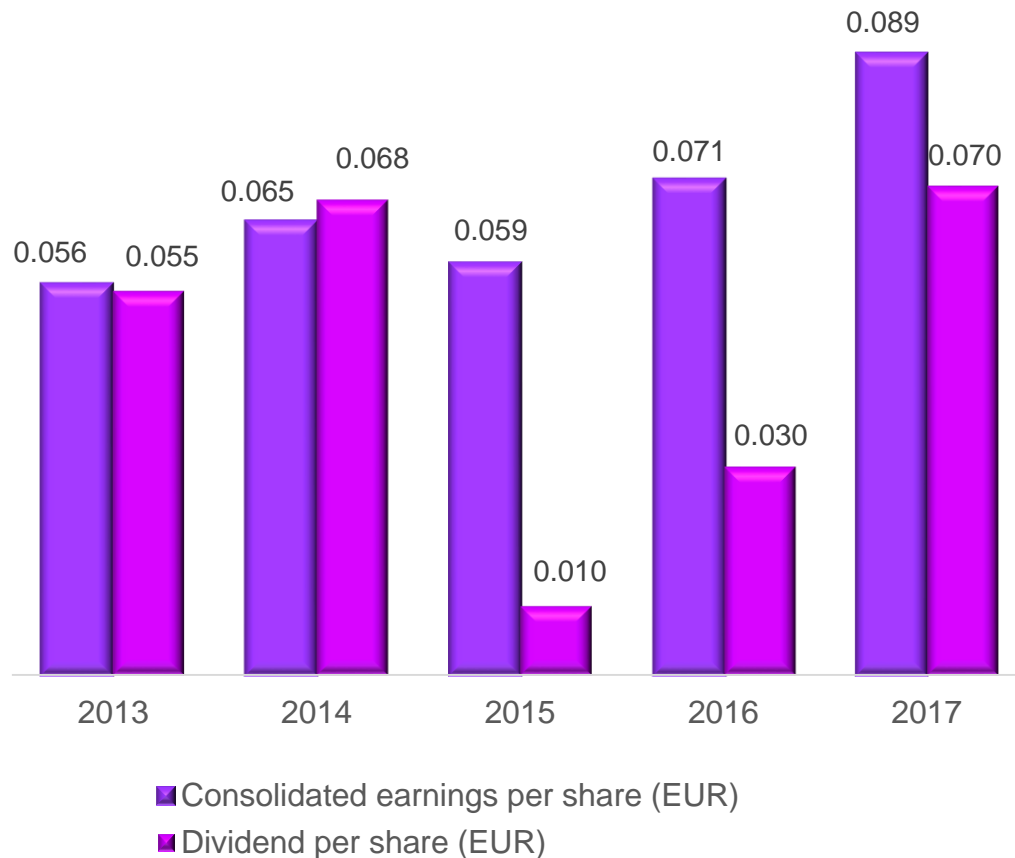
NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



CAPEX & CAPEX BREAKDOWN IN H1 2018



DIVIDENDS



- Earnings and dividends till 2014 were allocated to **776,817,518** shares, from 2014 – to **582,613,138** shares
- On 17 November 2014, shareholders got **0.072 euro** per share payment **due to reduction of authorized capital**
- The Board set a target to maintain the Company's **net debt to EBITDA ratio** not higher than 1.5 and to pay out up to 80 per cent of free cash flow as dividend
- According to the Law, dividends should be paid from **retained earnings of the Parent company**
- As of 31 December 2017, audited retained earnings of the Parent company amounted to **EUR 116.7 million**
- On 25 April 2018, the Annual General Meeting of Shareholders decided to pay-out **EUR 40.8 million** or **EUR 0.07 per share of dividends** for the year 2017



SHARES AND SHAREHOLDERS

The background of the slide is composed of several diagonal stripes of different colors. The top-left stripe is a vibrant red. Below it is a wide stripe of deep purple. Further down is a thinner stripe of a lighter, lavender purple. The bottom-right corner features a bright yellow stripe.

SHAREHOLDERS

- **Telia Company AB** (Sweden) is the largest shareholder of Telia Lietuva, AB
- The Company's share capital consist of **582,613,138** ordinary registered shares of **EUR 0.29** nominal value each
- On **24 October 2014**, **authorized capital was reduced** by LTL 194 million (EUR 56.2 million) and accordingly number of **voting shares was reduced** from 776,817,518 to **582,613,138**
- The **total number of Telia Lietuva shareholders** exceeds **11 thousand**

Shareholders as of 30-06-2018

	Part of shares and votes
Telia Company AB	88.15%
Other	11.85%

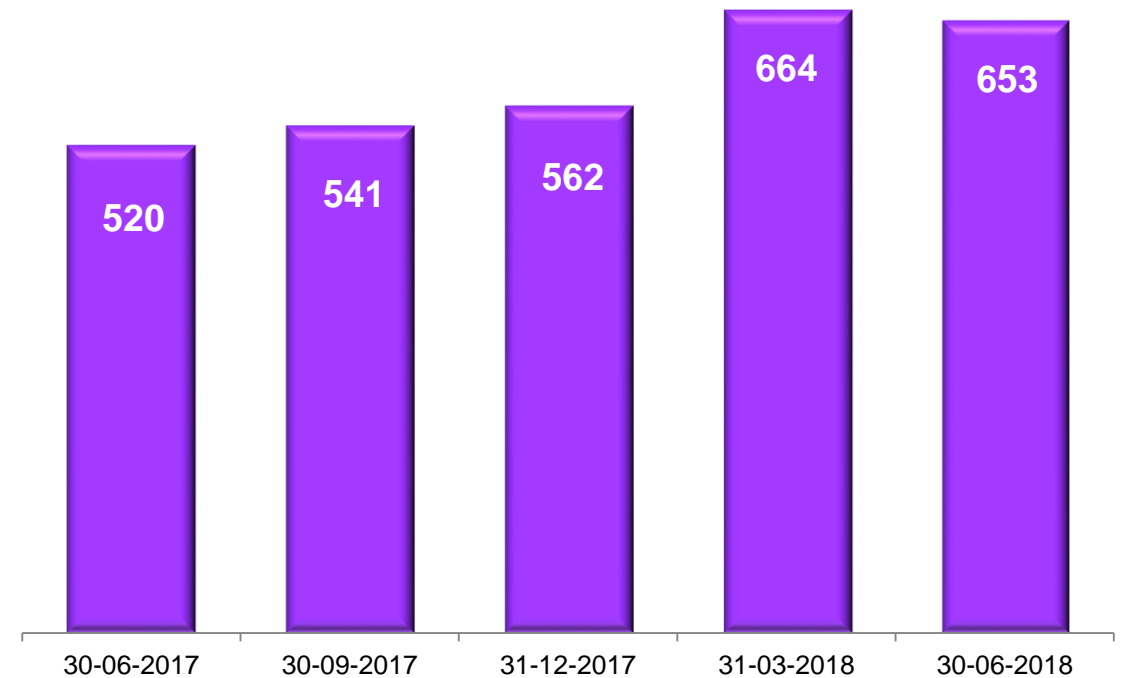


SHARES

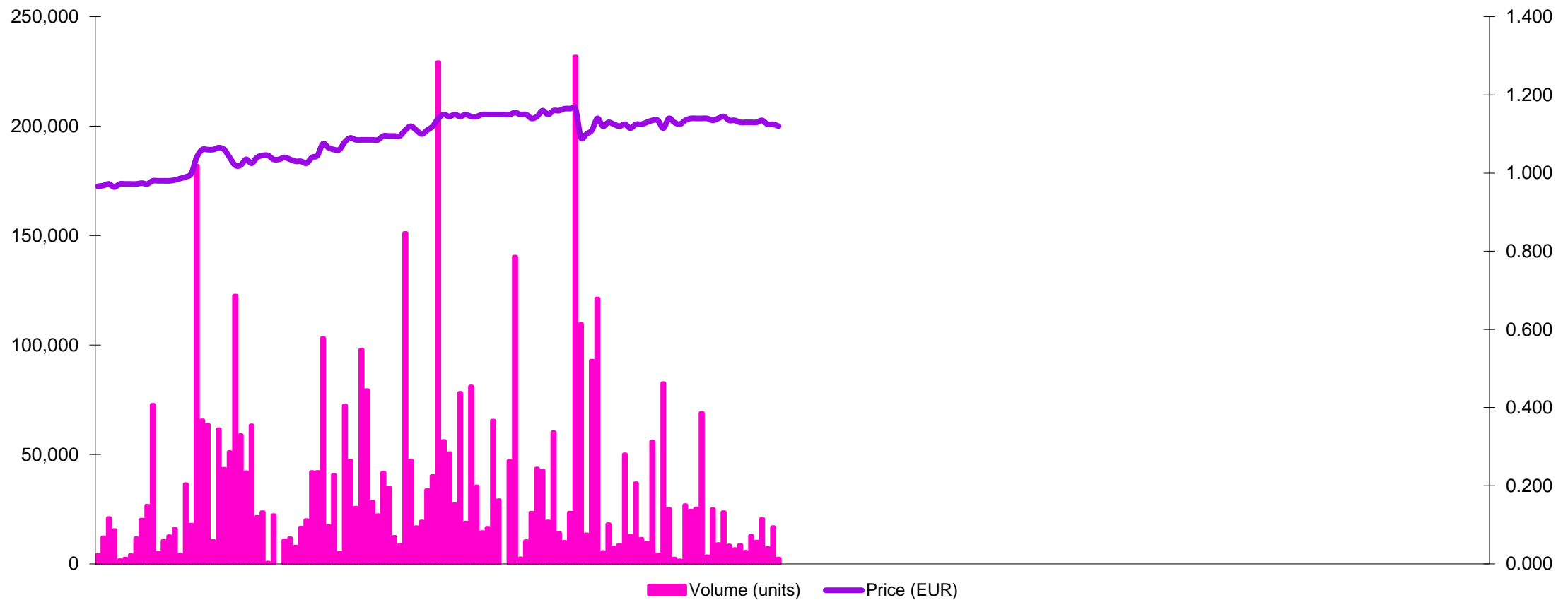
- Since June 2000, the Company's shares are listed on **Nasdaq Vilnius stock exchange** (ticker: TEL1L)
- Since January 2011, the Company's shares were included into the trading lists of a few German stock exchanges (ticker: ZWS)
- **Turnover** on Nasdaq Vilnius stock exchange during January–June 2018: 4.6 million of shares or EUR 5 million
- Share **price** on Nasdaq Vilnius:

	EUR
01-01-2018	0.966
High	1.170
Low	0.956
30-06-2018	1.120

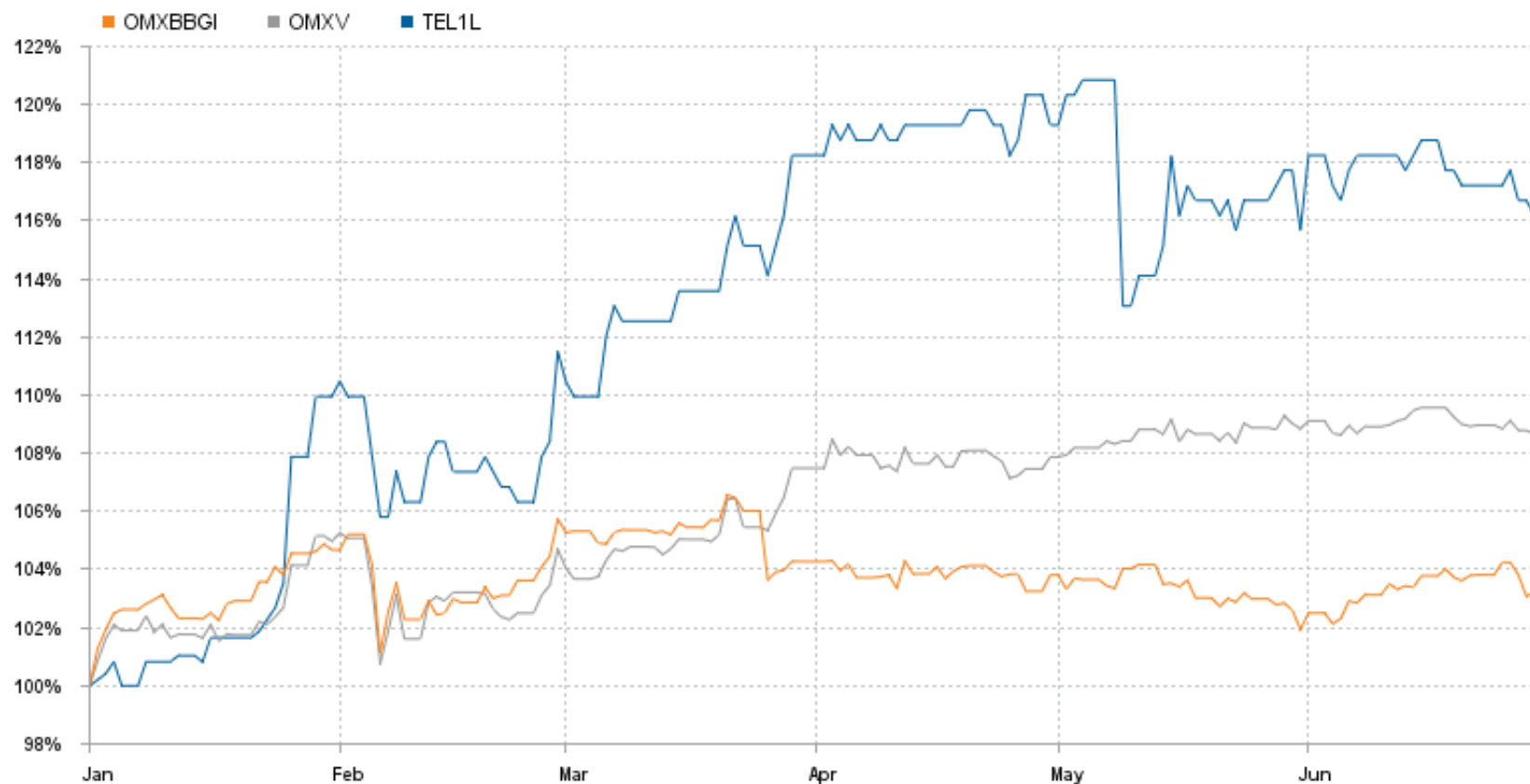
Market capitalization (EUR million)



TRADING IN THE COMPANY'S SHARES ON NASDAQ VILNIUS STOCK EXCHANGE IN 2018



THE COMPANY SHARE PRICE AND NASDAQ VILNIUS INDEXES COMPARISON



Source: Nasdaq Vilnius



CORPORATE GOVERNANCE

The background of the slide is composed of several overlapping, wavy bands of color. From top to bottom, the colors transition from a deep purple to a bright blue, then to a pale yellow, and finally to a vibrant orange. The waves create a sense of movement and depth across the entire slide.

GOVERNING BODIES

- The Annual **General Meeting of Shareholders** was held on 25 April 2018
- The **Board** consist of 6 members elected for the 2 year term
- Stefan Block, Ole Stenkil, Inga Skisaker and Rolandas Viršilas **resigned** from the Board as of 24 April 2018
- Agneta Wallmark, Hannu-Matti Mäkinen, Tomas Balžekas and Mindaugas Glodas (the last both as independent members of the Board) were **elected** to the Board for the current term of the Board
- 3 members of the Board comprise **Audit and Remuneration Committees**
- **UAB Deloitte Lietuva** is elected as the Company's independent auditor for the year 2018 and 2019
- The Board elects and recalls **CEO**



BOARD



Henriette Wendt (born in 1969),
Chairwoman of the Board,
represents Telia Company AB,
Chairwoman of the Remuneration
Committee



Hannu-Matti Mäkinen (born in 1970),
Member of the Board,
represents Telia Company AB



Agneta Wallmark (born in 1960),
Member of the Board,
represents Telia Company AB,
Chairwoman of the Audit Committee



Tomas Balžekas (born in 1977),
Independent member of the Board,
Member of the Audit Committee



Claes Nycander (born in 1963),
Member of the Board,
represents Telia Company AB,
Member of the Remuneration
Committee



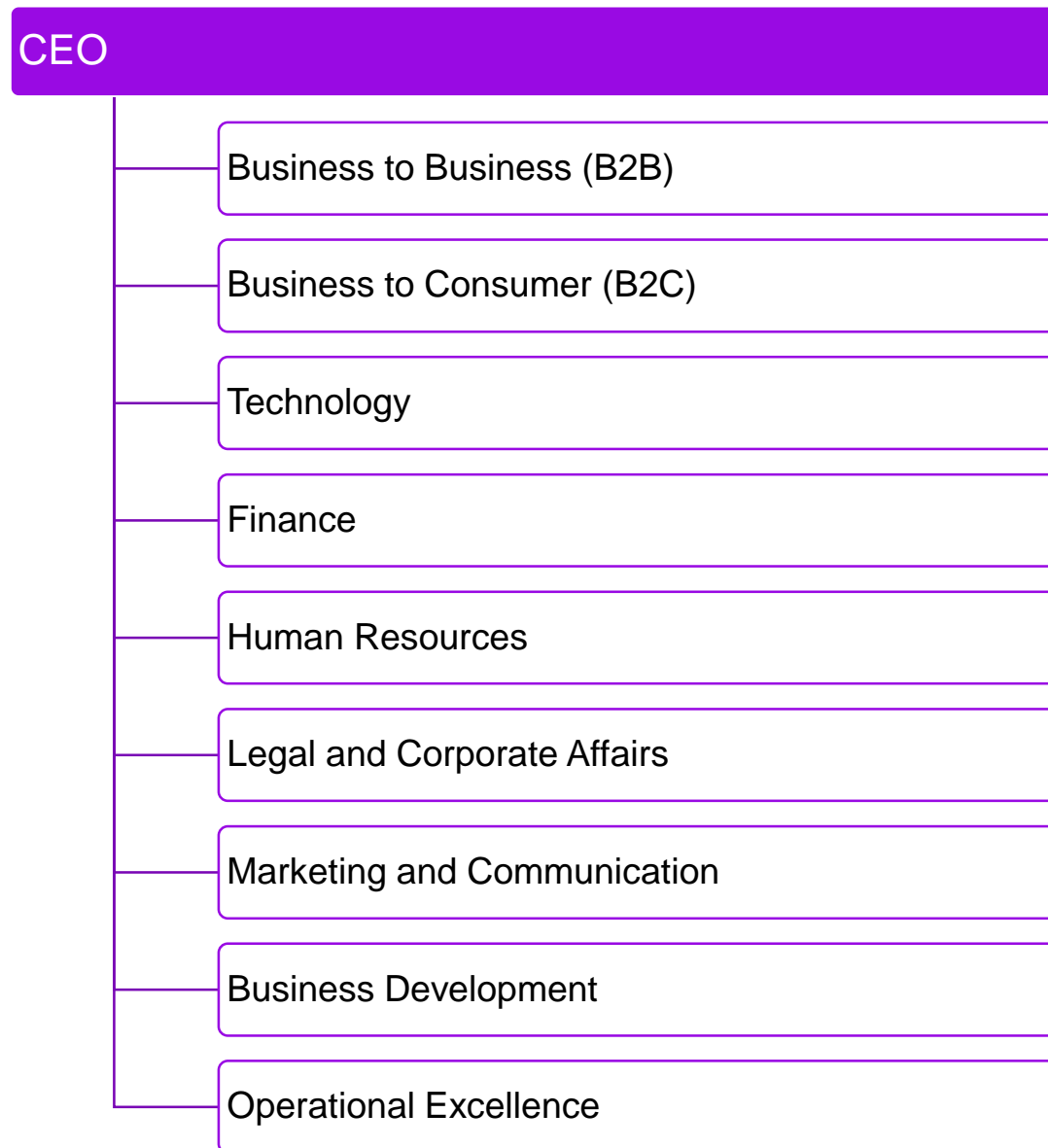
Mindaugas Glodas (born in 1972),
Independent member of the Board,
Member of the Audit and
Remuneration Committees

- Members of the Board have no direct interest in the share capital of Telia Lietuva



GOVERNING STRUCTURE OF TELIA LIETUVA

VALID FROM 15 DECEMBER 2017



MANAGEMENT TEAM



Dan Strömberg,
CEO



Mindaugas Ubartas,
Head of B2B



Haval van Drumpt,
Head of B2C



Andrius Šemeškevičius,
Head of Technology



Laimonas Devyžis,
Head of Finance



Ramūnas Bagdonas,
Head of Human
Resources



Giedrė Kaminskaitė-Salters,
General Counsel & Head of
Public Affairs, Chiefs Analytics
Officer



Vaida Jurkonienė,
Head of Marketing &
Communication



Mantas Goštautas,
Head of Business
Development



Vytautas Bučinskas,
Head of Operational
Excellence



PRINCIPLES THAT WE FOLLOW



Anti-bribery and
corruption



Freedom of
expression



Customer privacy



Occupational health
and safety



Responsible
procurement



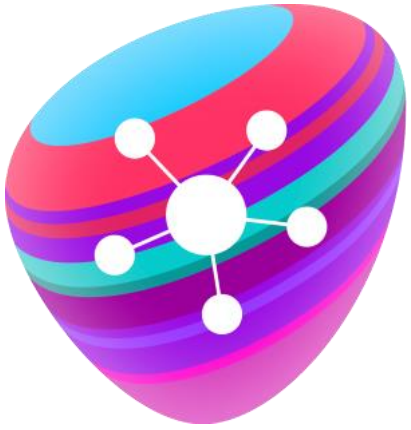
Environmental
responsibility



Children safety
online



ALL IN APPROACH



Connecting the
unconnected



A healthy and safe
society



Education for all



Digital
entrepreneurship and
innovation





Telia

#VISAKOTINKLAS