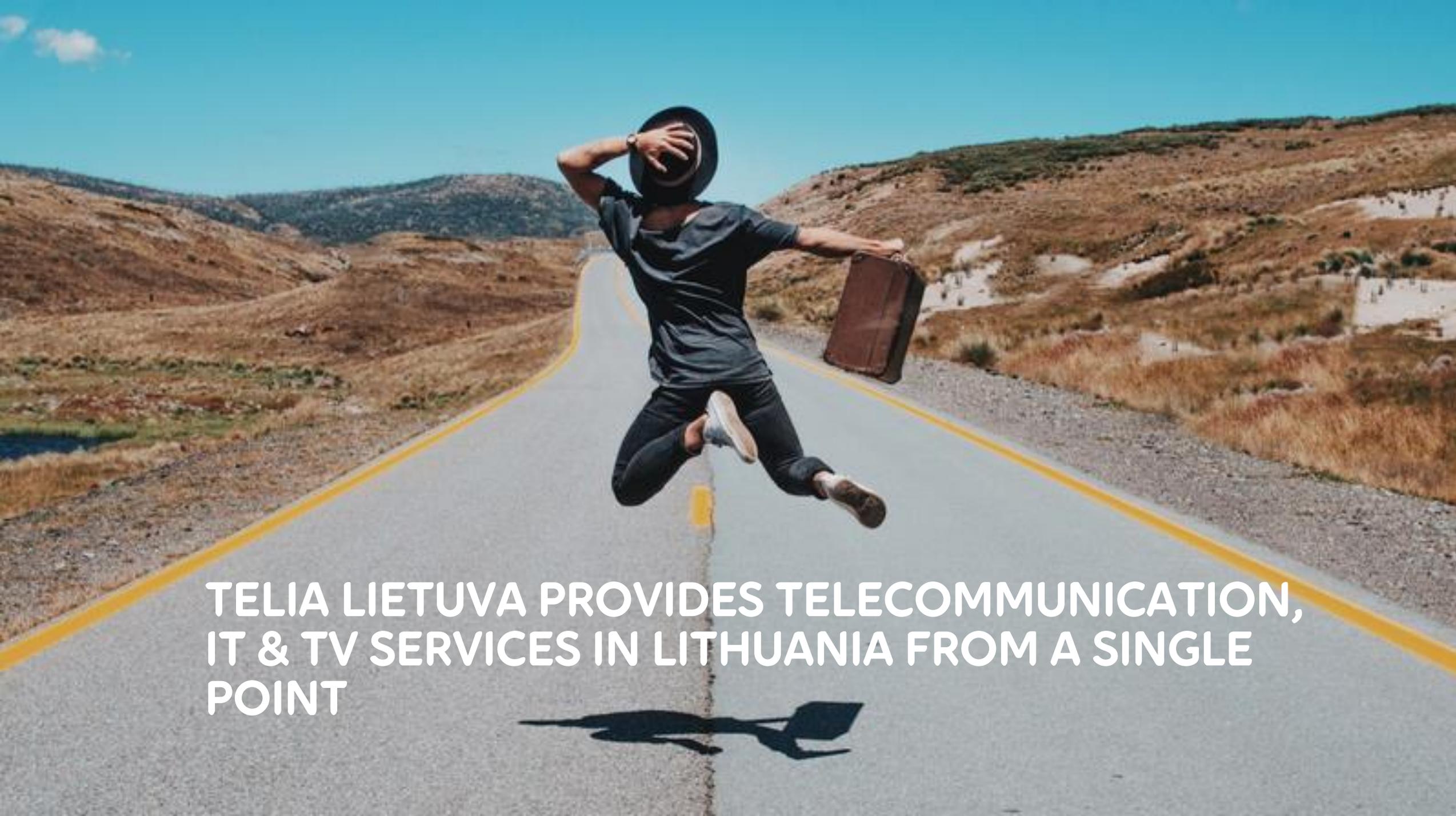




RESULTS FOR THE Q1 2018

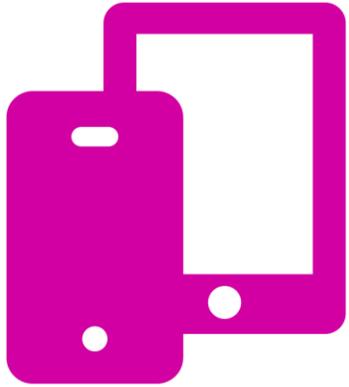
Telia Lietuva, AB Group





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

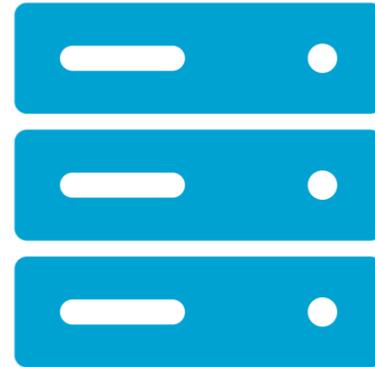
TELIA LIETUVA MEANS:



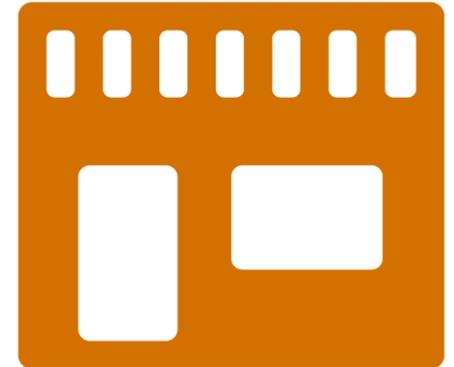
Wide range of
services



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



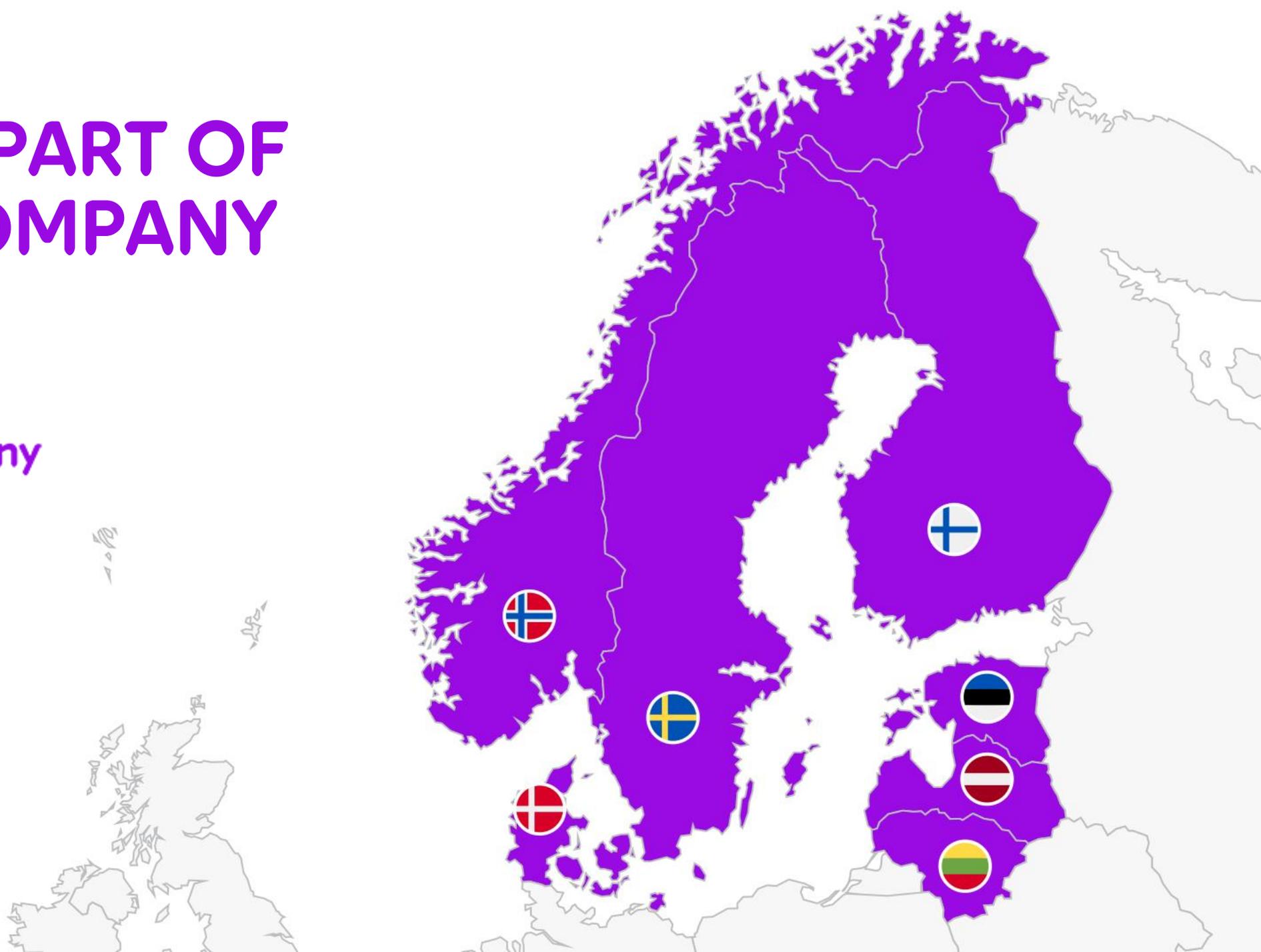
Team of 3,000
professionals



Sustainable and
responsible
business



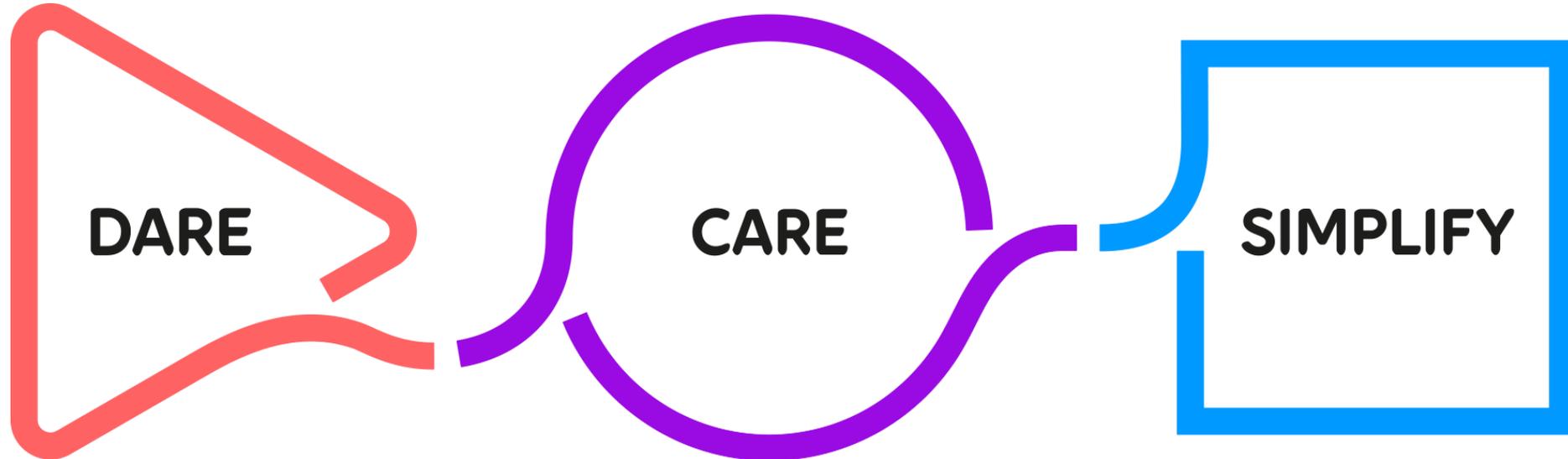
WE ARE PART OF TELIA COMPANY GROUP



**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 %
Telia Global Services Lithuania, UAB	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** provides contact center services to customers of Telia Lietuva and Directory Inquiry services 118
- **Verslo Investicijos** implements an investment project in Vilnius, at Lvovo str. 21A
- **Telia Global Services Lithuania** (till 30-01-2018 was named **UAB Kompetencijos Ugdymo Centras**) is a base for establishment of shared services center
- **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)



HIGHLIGHTS OF Q1 2018

- More than **10 thousand** customers have used the unique in the market converged offer “**Telia One**”
- The Company presented “**Super VDSL**” (S-VDSL) technology, which provides up to **250 Mbps** Internet via copper lines
- **IT competence centre** opened in Šiauliai
- Telia Lietuva received a **certificated from SAP**, which allows to serve the IT systems of the largest enterprises
- The Company signed a contract with Šiaulių Bankas for management of **computerized work places**
- The Board proposed to pay **EUR 0.07 dividend per share** for the year 2017
- Telia Lietuva was granted the award of **The Company of the Centenary in Lithuania** by Investors' Forum



OPERATING FIGURES



1.3%

1,363

thousand of
mobile service users



2.5%

415

thousand of
broadband Internet connections



5.6%

245

thousand of
TV service users



11.7%

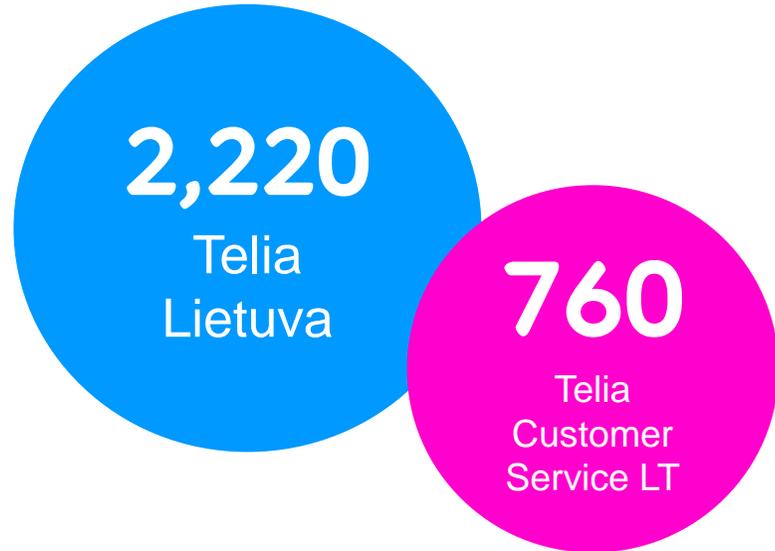
401

thousand of
fixed telephone lines in service

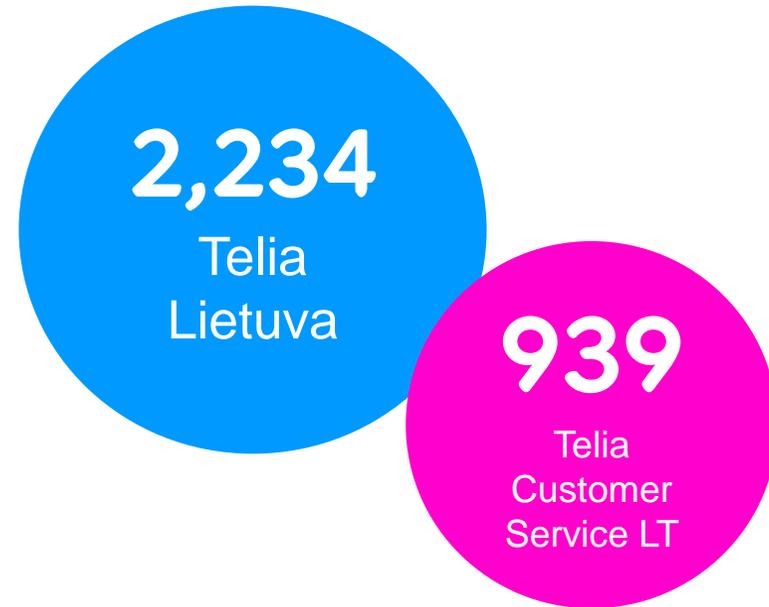
Data as of 31-12-2018 & change (y-o-y)



NUMBER OF EMPLOYEES



In total **2,980** (31-03-2018)

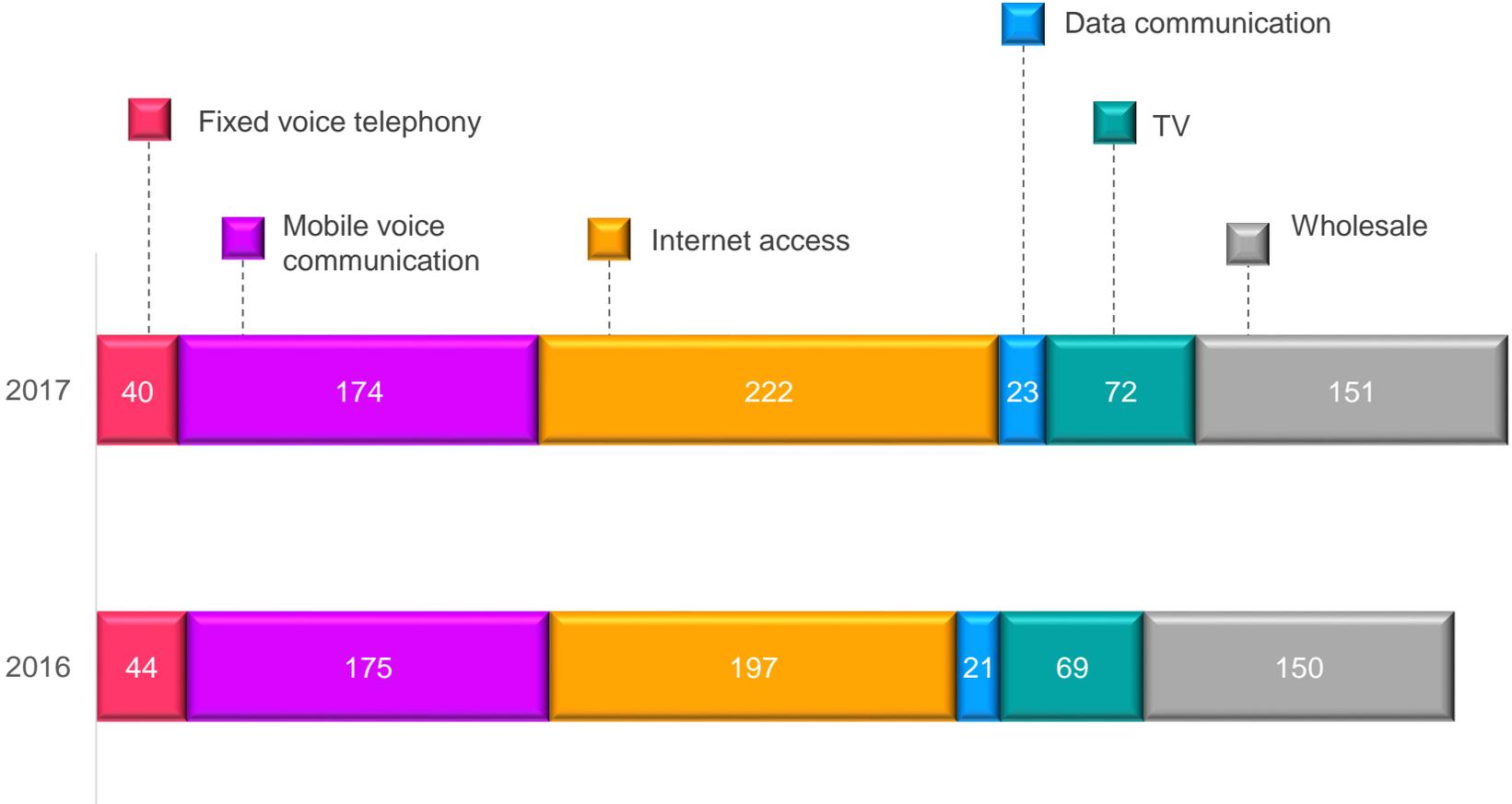


In total **3,173** (31-03-2017)



ELECTRONIC COMMUNICATIONS MARKET OF LITHUANIA

WE ARE OPERATING IN GROWING TELCO MARKET (EUR million)

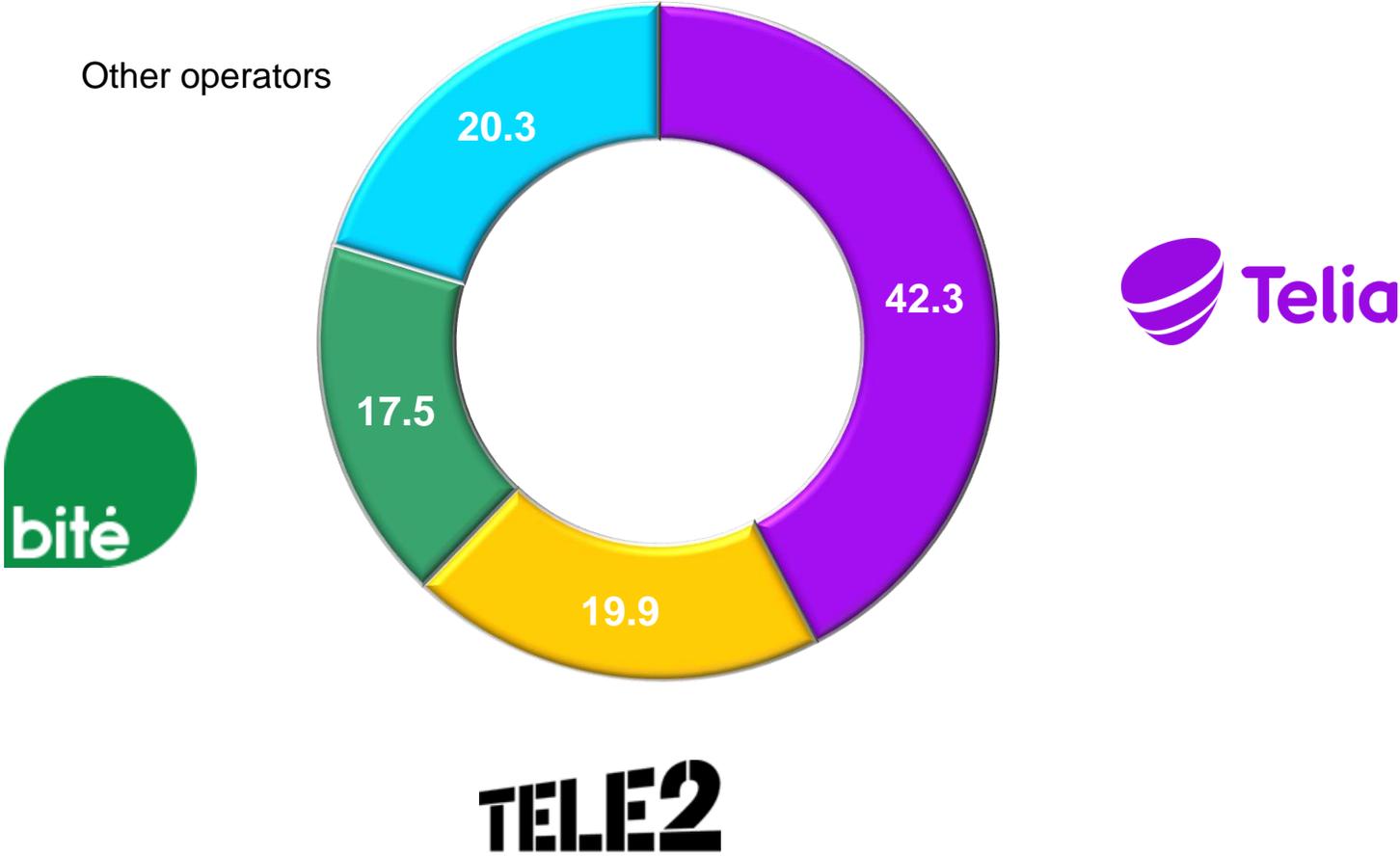


+3.8%

Source: Report of the Communications Regulatory Authority



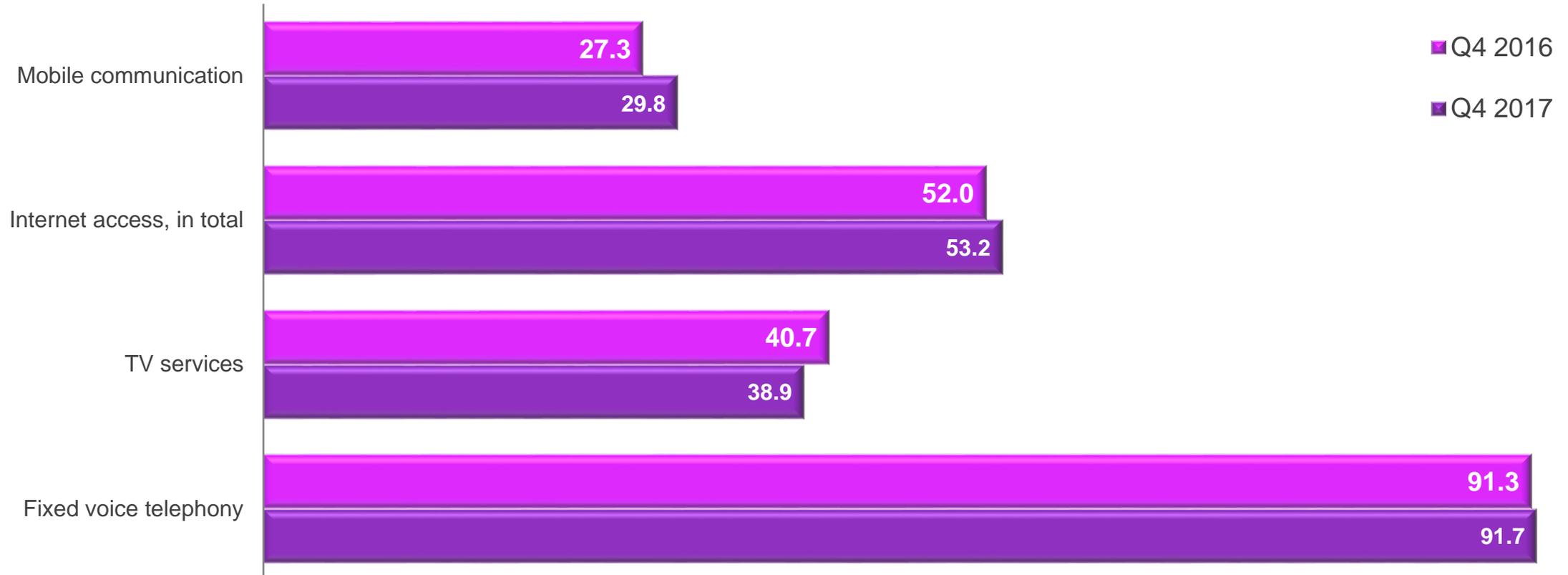
BREAKDOWN OF THE TELECOMMUNICATIONS MARKET REVENUE BY OPERATORS FOR Q4 2017 (%)



Source: Report of the Communications Regulatory Authority



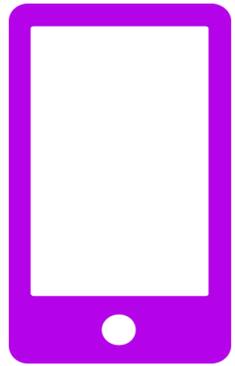
TELIA LIETUVA MARKET SHARES IN TERMS OF REVENUE (%)



Source: Report of the Communications Regulatory Authority



MARKET: THE FASTEST GROWTH IN USAGE OF DATA



12.7%
(q-o-q)

Increasing usage of
mobile data

(uploaded/downloaded
59,929 million MB
of data per quarter)



3.7%
(y-o-y)

Growing number of
FTTH/B connections

(accounts for **71%** of all
fixed Internet connections)



11.3%
(y-o-y)

Growing number of
IPTV users

(accounts for **32%** of all
pay-TV service users)



MARKET PENETRATION PER 100 INHABITANTS



152.8

mobile communications
subscribers



16.9

fixed telephony lines



41.7

broadband Internet
access



56.8

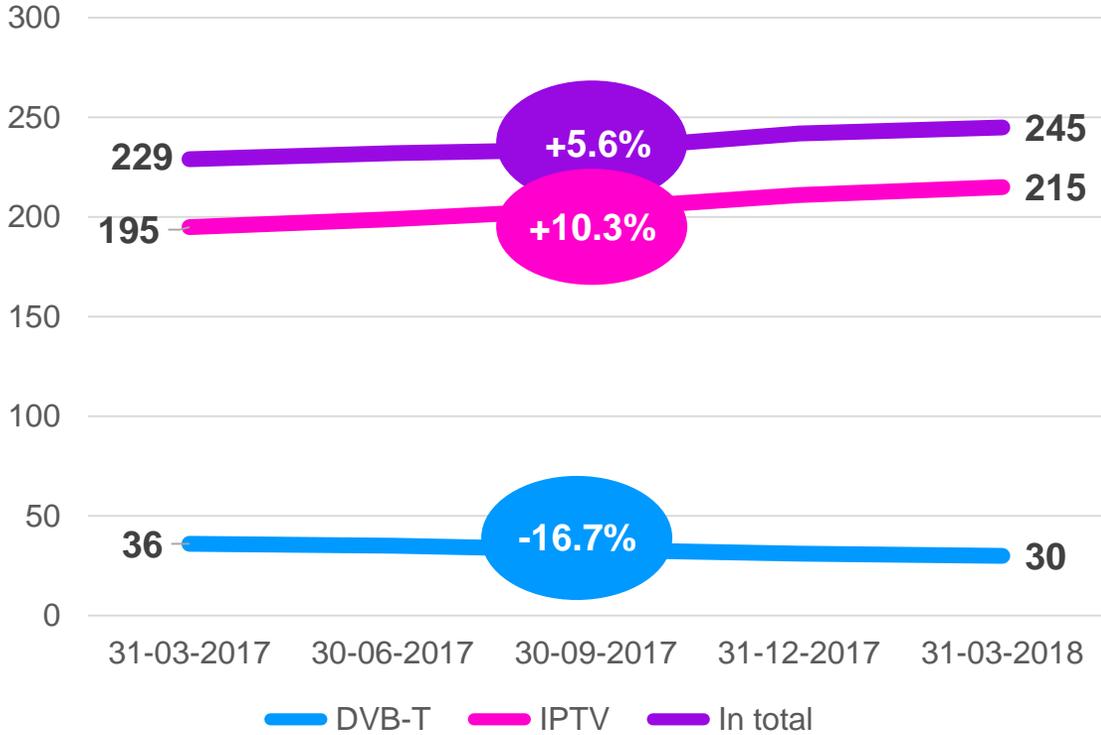
pay-TV subscribers
(households)



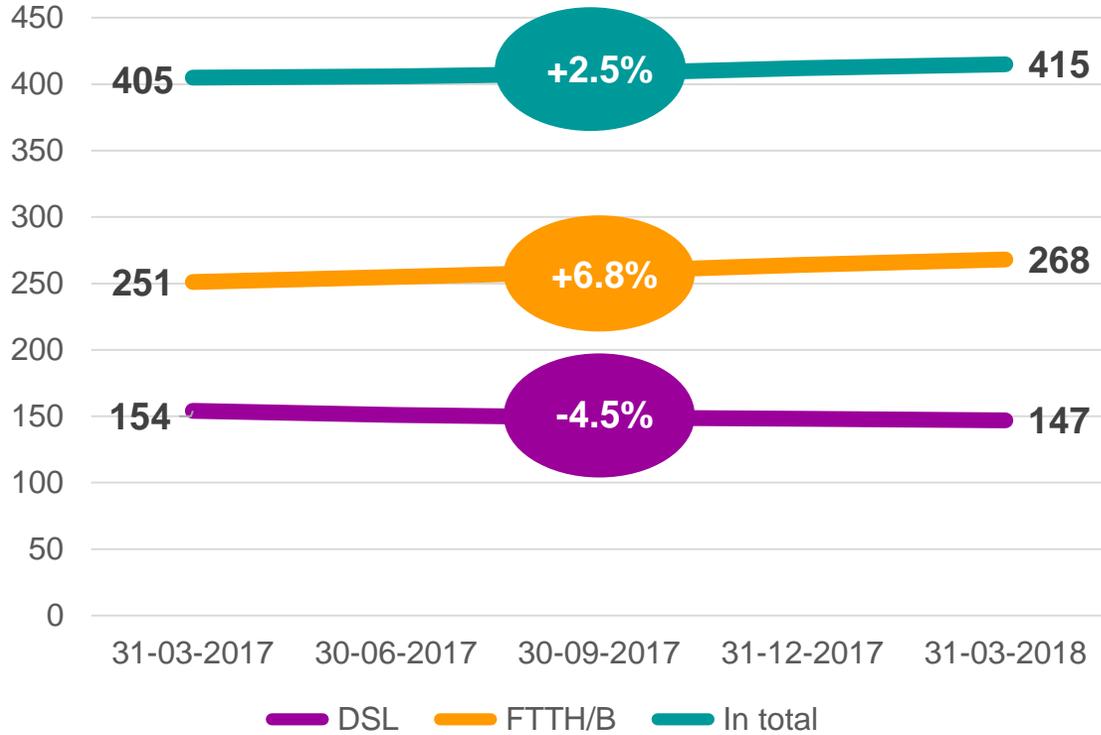
OPERATING AND FINANCIAL RESULTS

CONTINUOUS GROWTH IN NUMBER OF IPTV AND FTTH USERS

Number of TV service users (thousands)

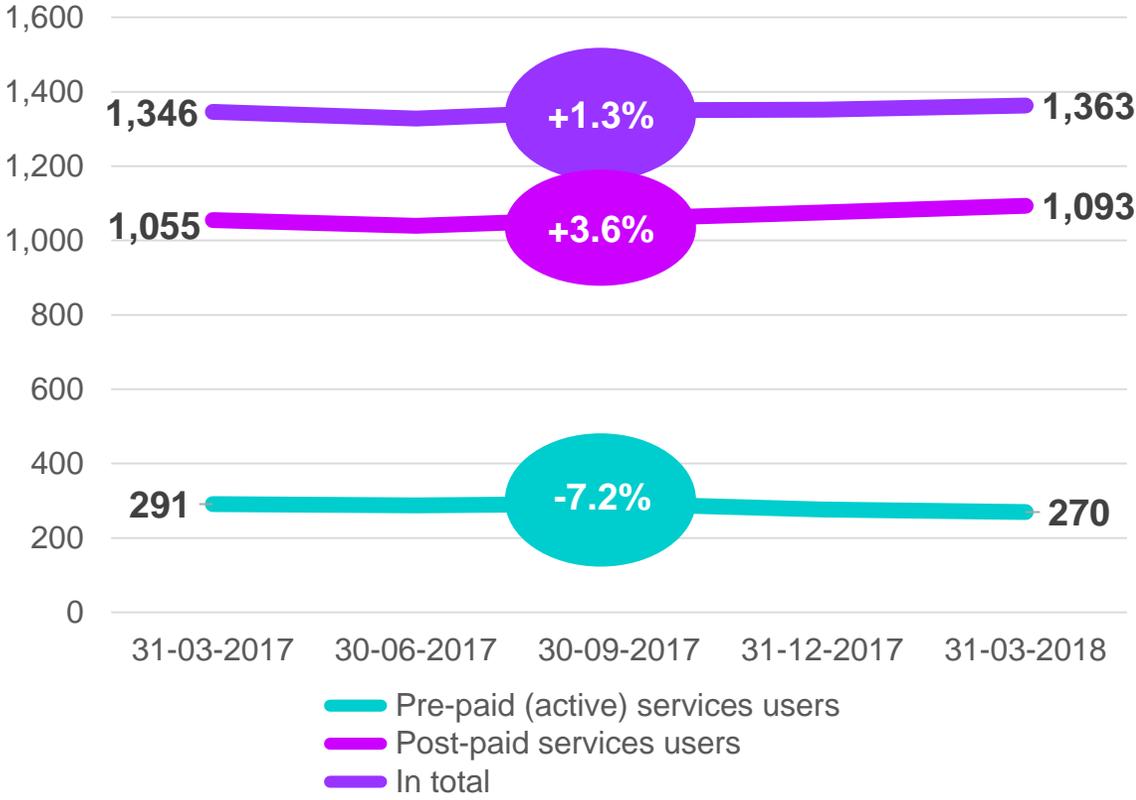


Number of broadband Internet users (thousands)

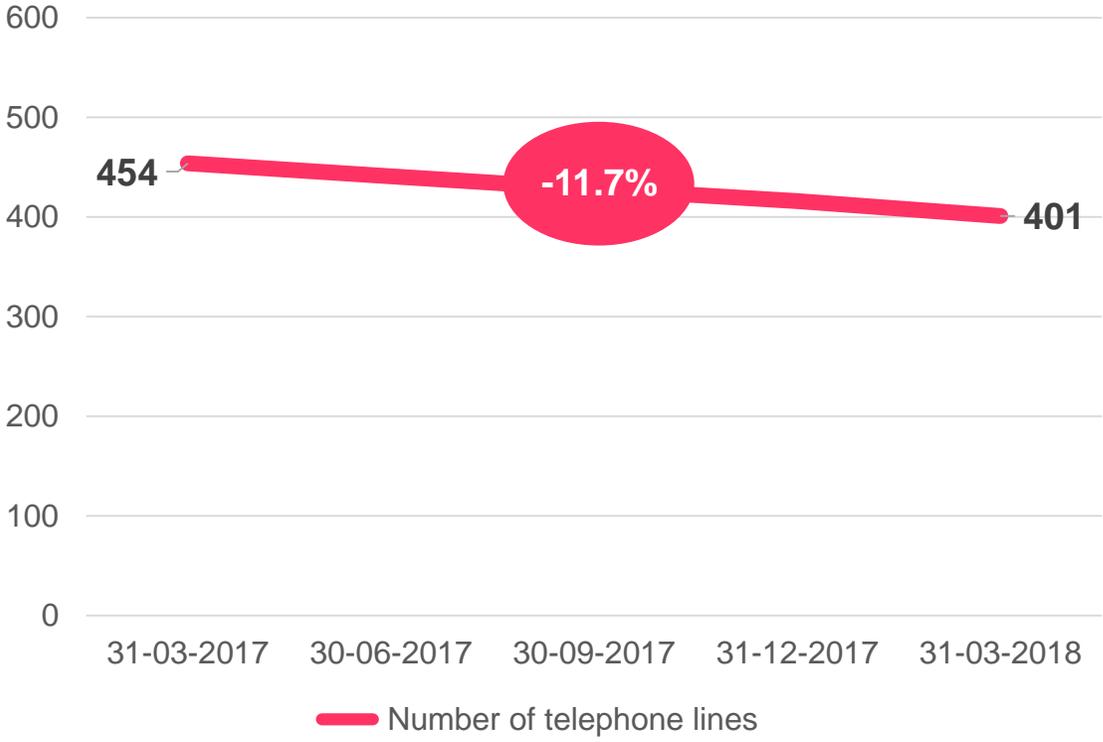


NUMBER OF MOBILE POST-PAID SERVICE USERS IS GROWING

Mobile communication users (thousands)

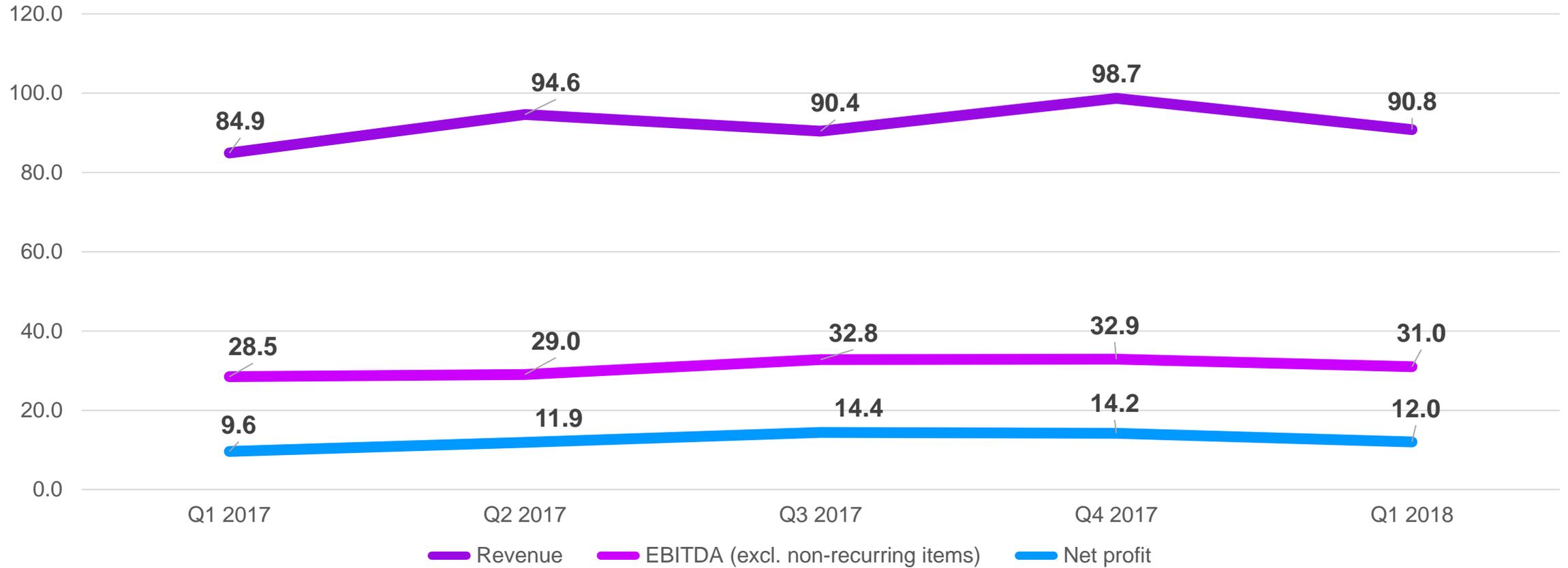


Number of fixed telephone lines (thousands)



REVENUE, EBITDA & NET PROFIT

(EUR million)

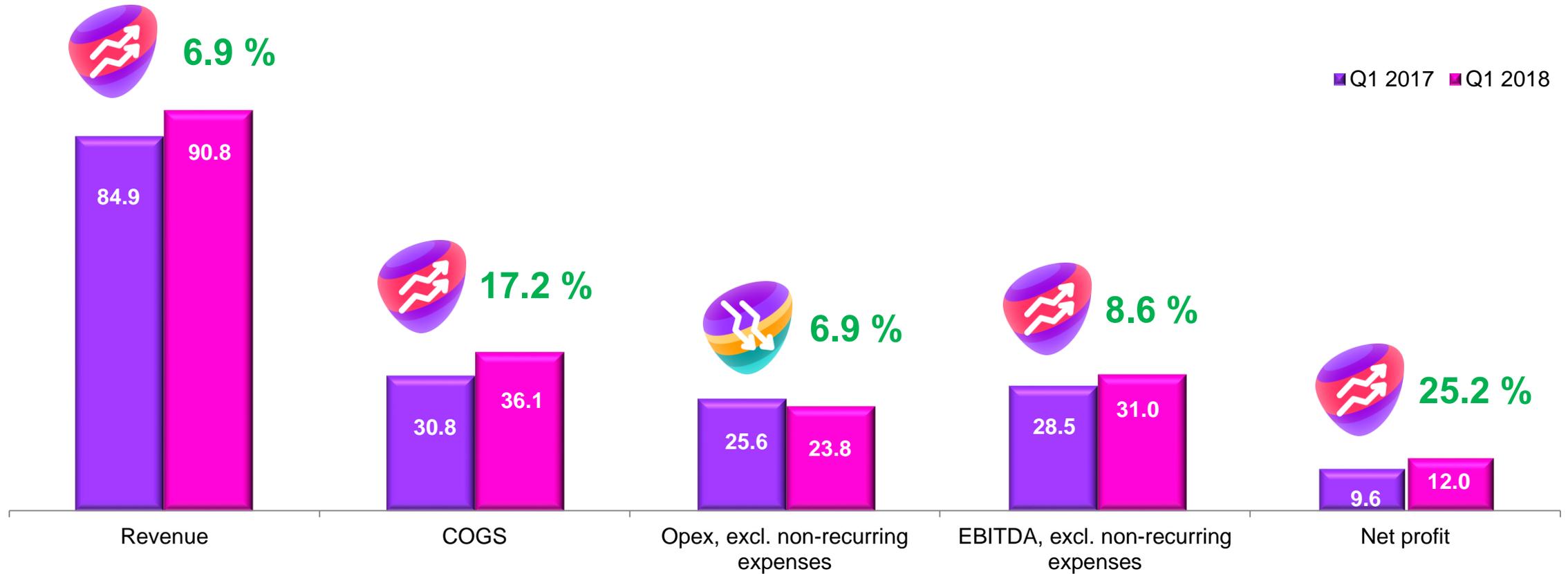


NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



DYNAMICS OF MAIN FINANCIAL INDICATORS

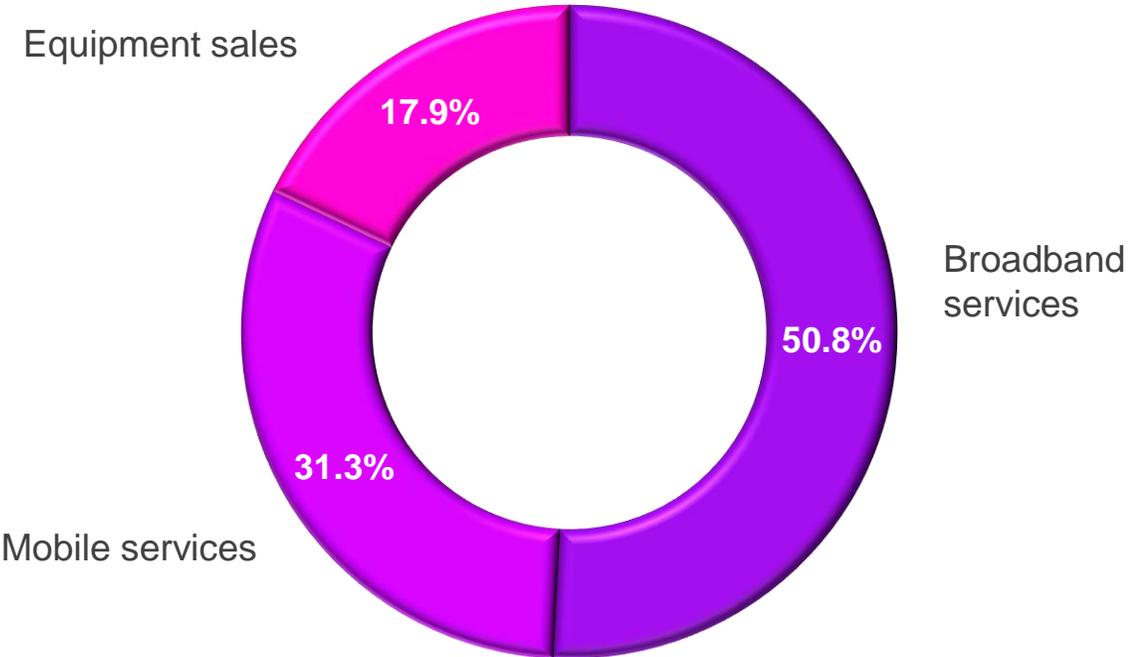
(EUR million)



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



Q1 2018 REVENUE BREAKDOWN



B2B

42.4%



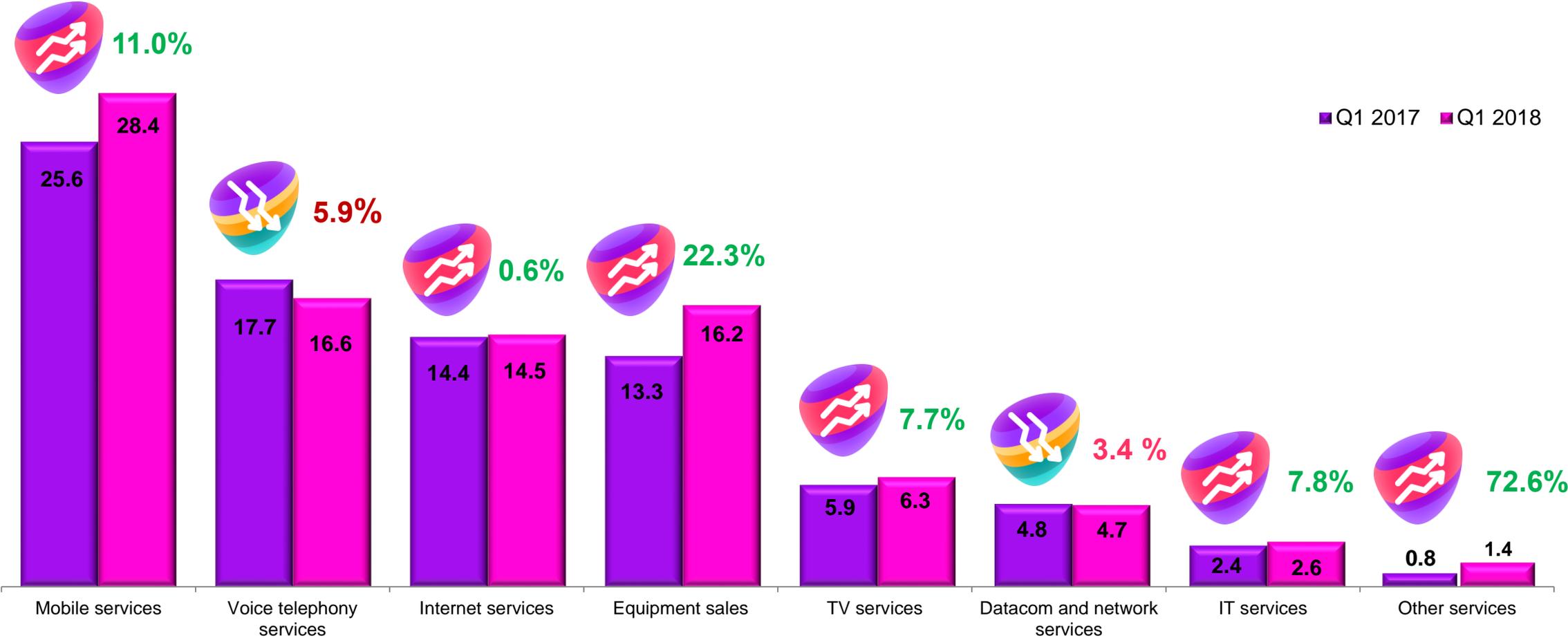
B2C

56.9%



REVENUE BY SERVICES

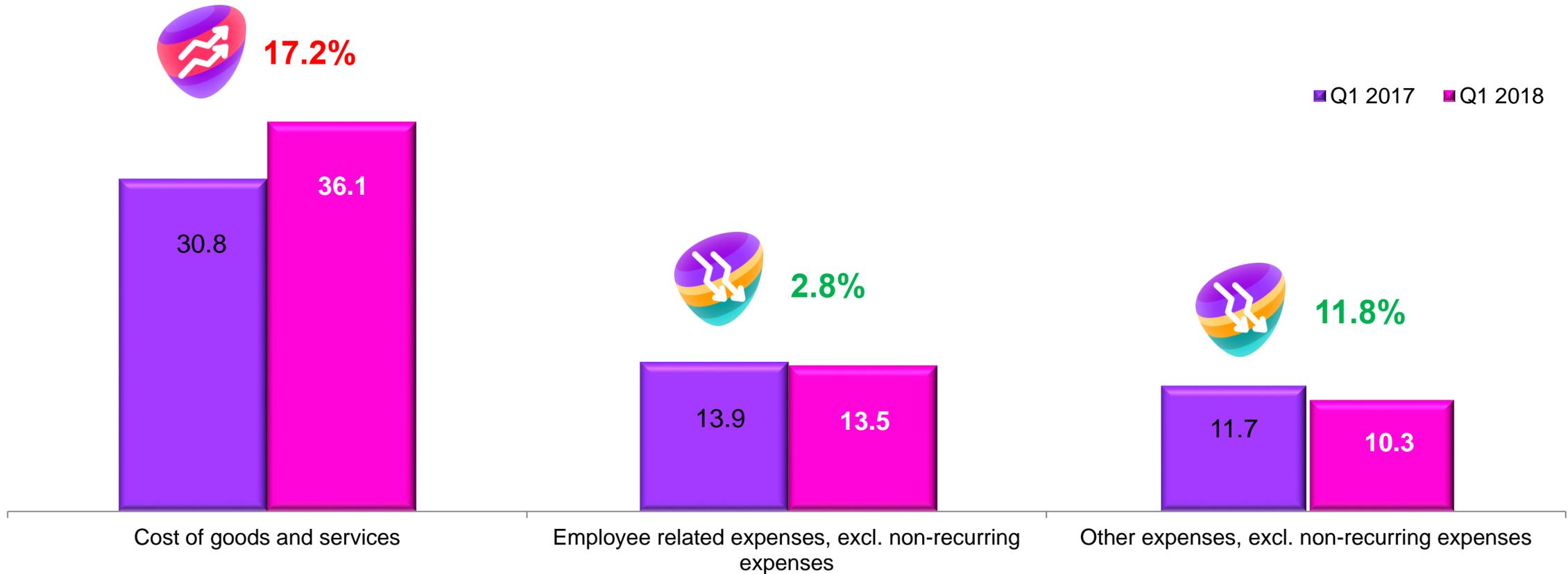
(EUR million)



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



OPERATING EXPENSES (EUR million)

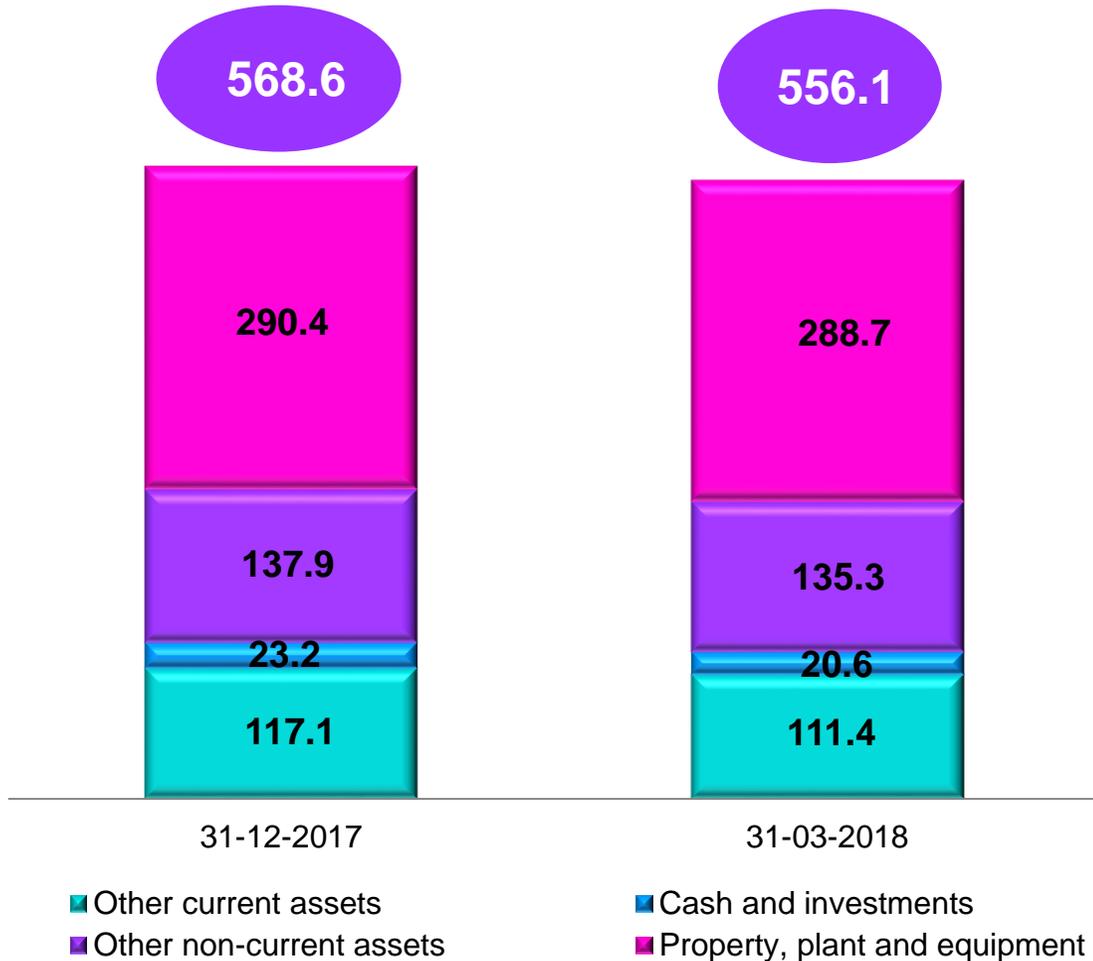


NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



ASSETS

(EUR million)



- During January-March 2018, **total assets** decreased by 2.2%
- **Non-current assets** amounted to 76.2% of total assets (31-03-2018)
- **Cash** alone amounted to 3.7%
- **Return on capital employed:** 12.6%
- **Return on average assets:** 10.4%

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



EQUITY AND LIABILITIES (EUR million)



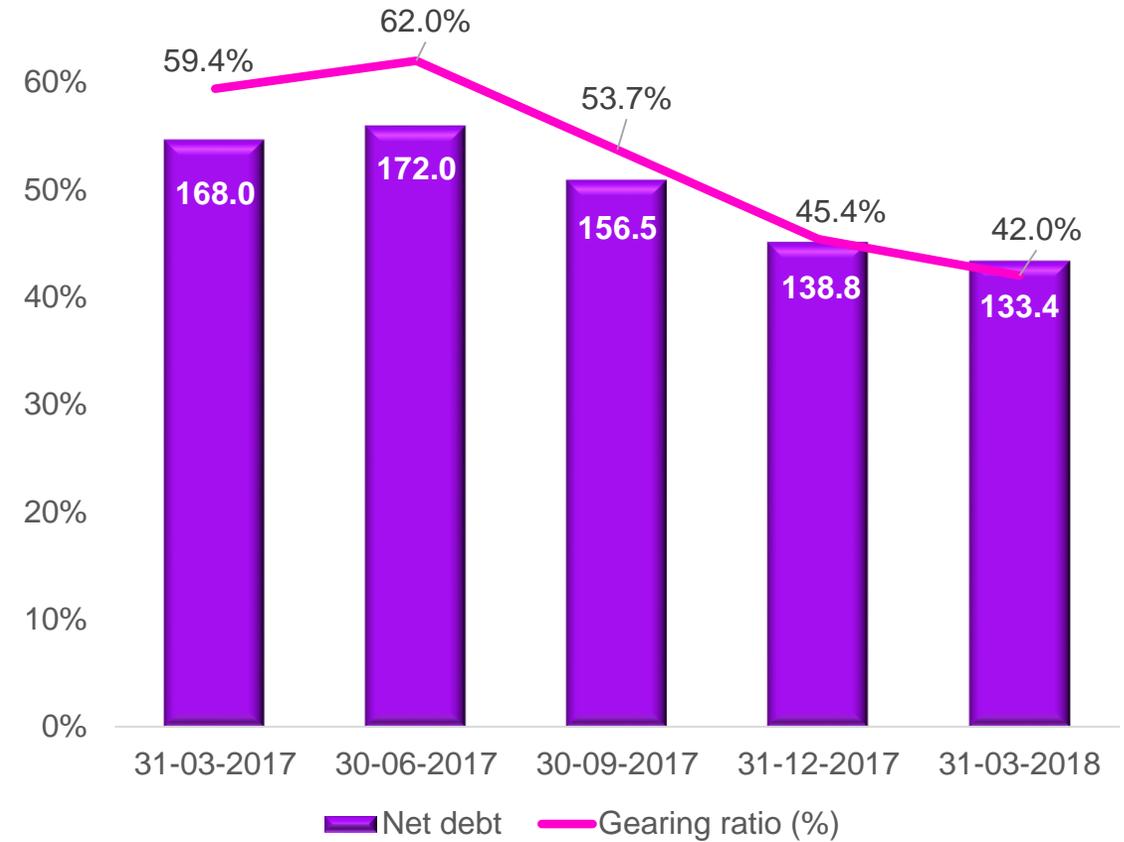
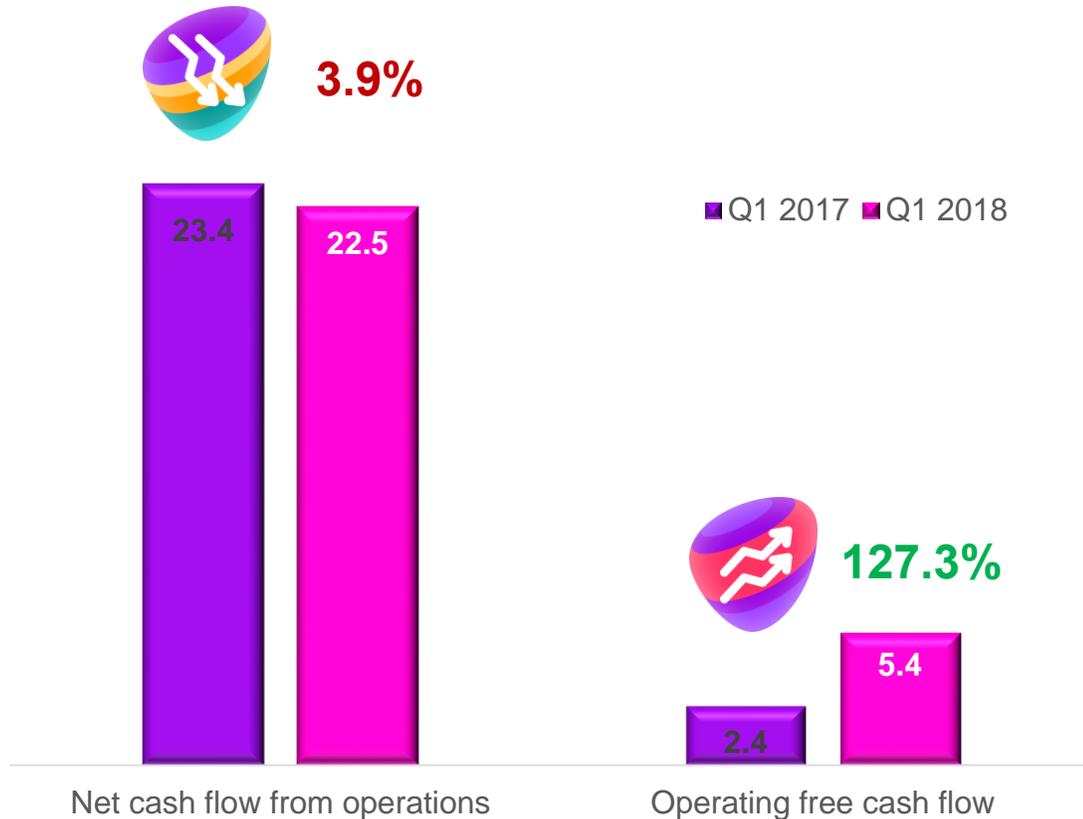
- Shareholders' **equity** amounted to 57.2% of the total assets (31-03-2018)
- Total **borrowings** amounted to EUR 154 million (31-03-2018)
- **Gearing ratio**: 42%
- **Debt to equity**: 48.5%
- **Return on equity**: 17.6%

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



CASH FLOW & NET DEBT

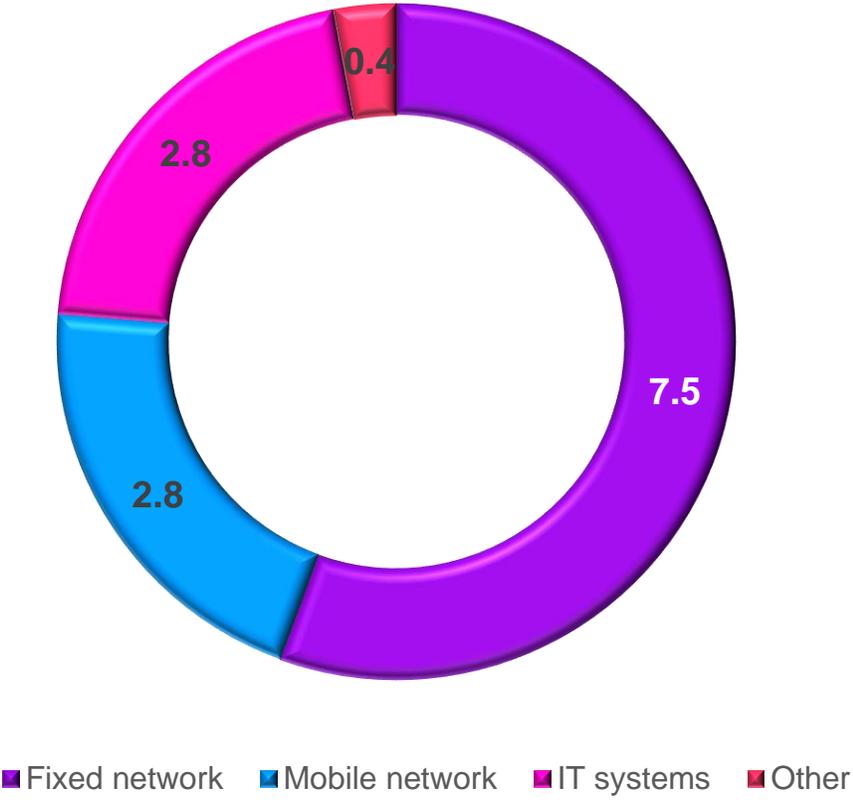
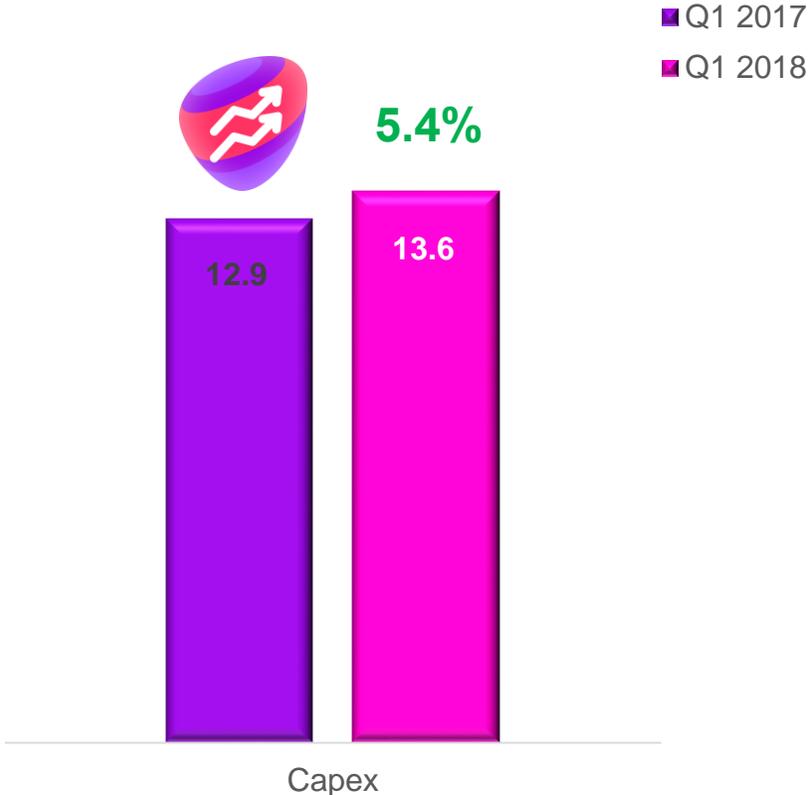
(EUR million)



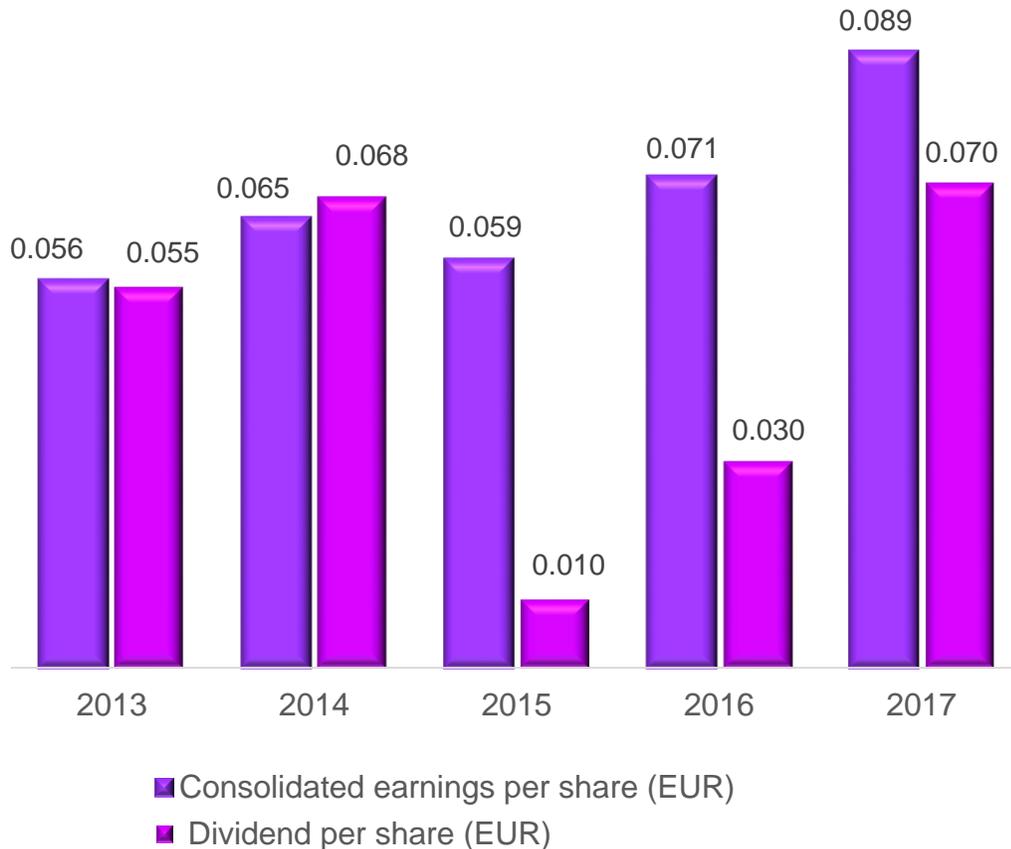
NOTE. Financial data for 2017 is recalculated due to introduction of IFRS 15 from 1 January 2018



CAPEX & CAPEX BREAKDOWN IN Q1 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**
- The Board proposed to the AGM, that will take place on 25 April 2018, to decide on payment of **dividend of 0.07 euro per share** for the year 2017



SHARES AND SHAREHOLDERS

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 31-03-2018

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

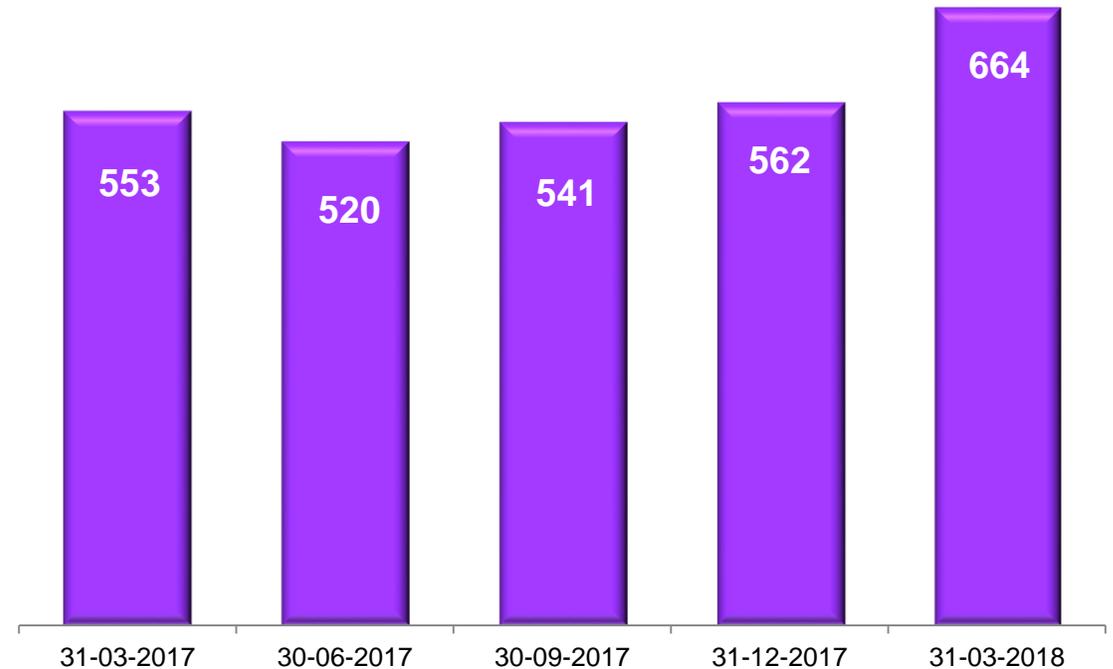


SHARES

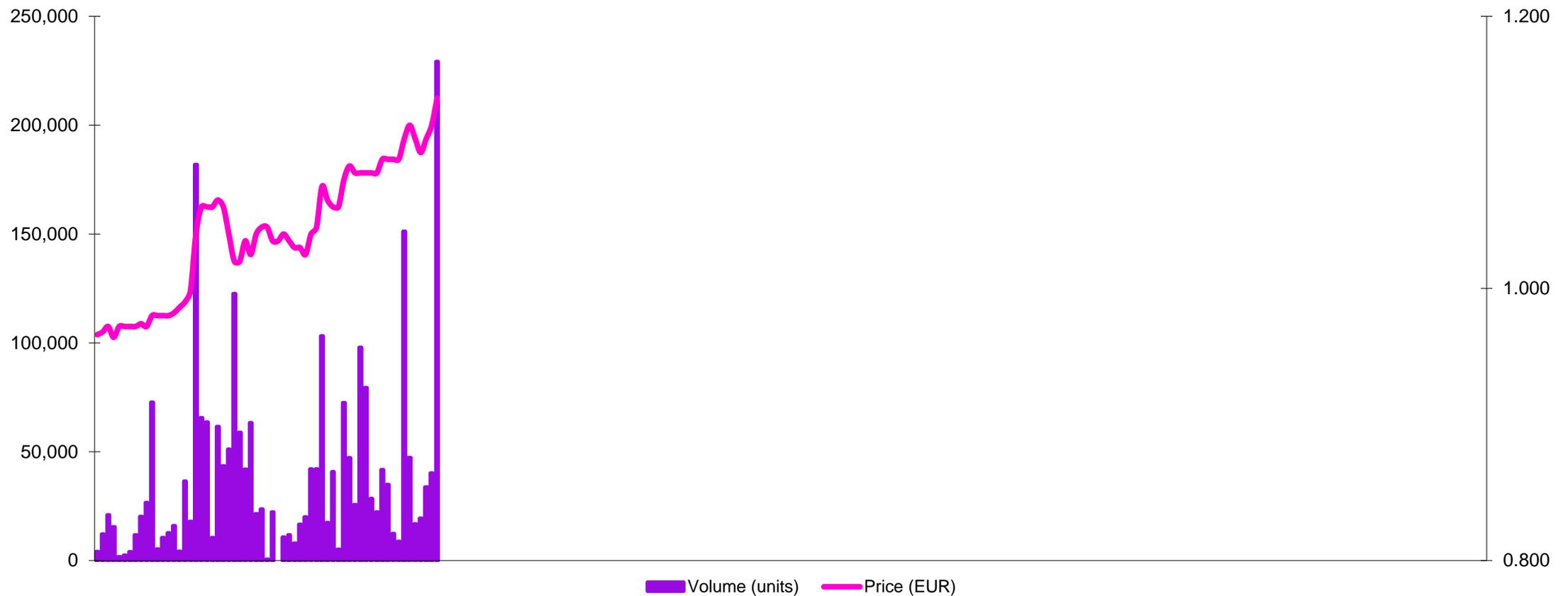
- Since June 2000, the Company's shares are listed on **Nasdaq Vilnius stock exchange** (ticker: TEL1L)
- Since January 2011, the Company's shares were included into the trading lists of a few German stock exchanges (ticker: ZWS)
- **Turnover** on Nasdaq Vilnius stock exchange during January–March 2018: 2.5 million of shares or EUR 2.6 million
- Share **price** on Nasdaq Vilnius:

	EUR
01-01-2018	0.966
High	1.150
Low	0.956
31-03-2018	1.140

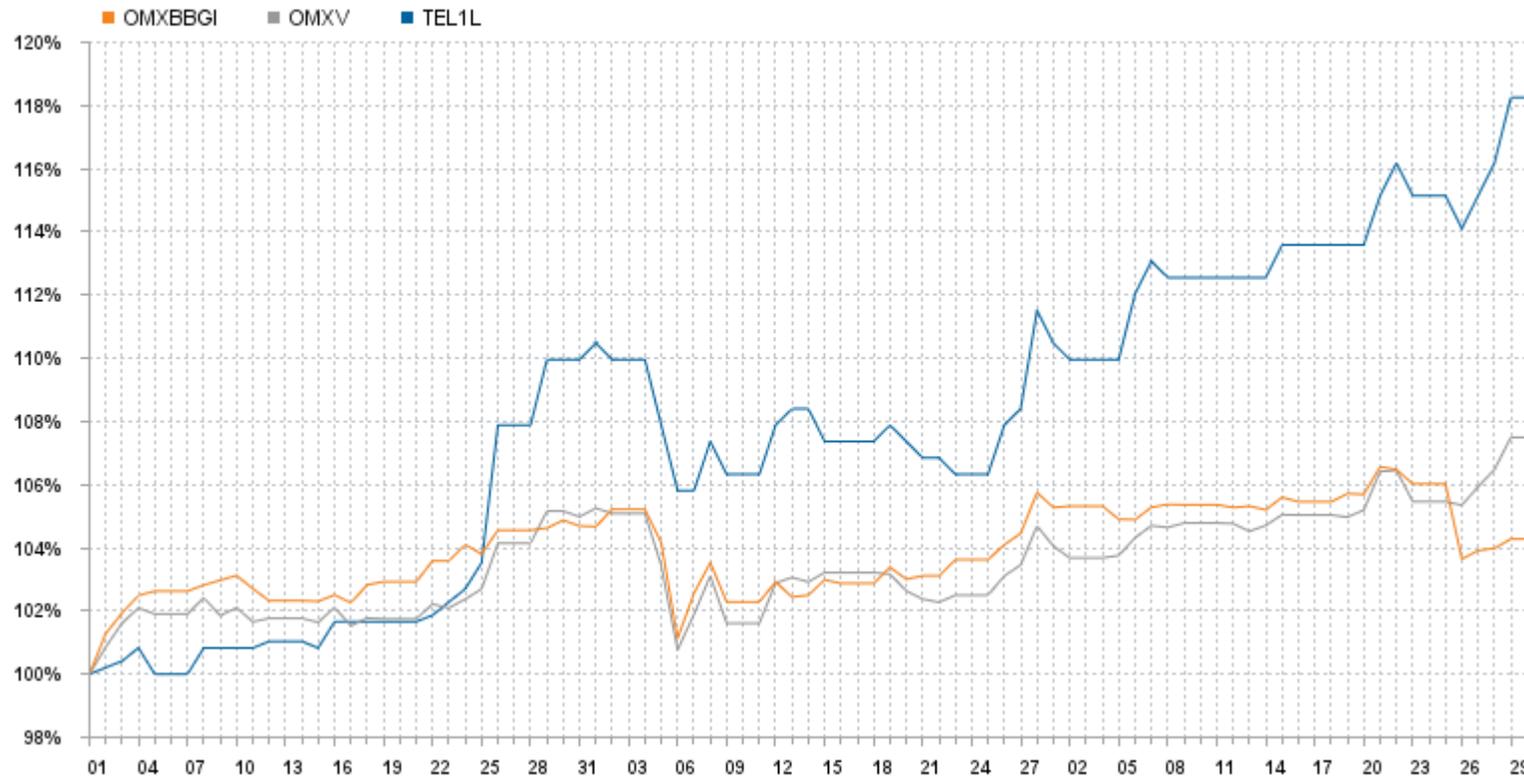
Market capitalization (EUR million)



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 features a series of overlapping, wavy bands of color. From top to bottom, the colors are: a dark purple band, a medium purple band, a light yellow band, a bright orange band, and a teal band in the bottom right corner. The text 'CORPORATE GOVERNANCE' is positioned in the upper left quadrant, overlaid on the purple bands.

GOVERNING BODIES

- The Annual **General Meeting of Shareholders** will be 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 **resign** from the Board as of 24 April 2018
- Agneta Wallmark, Hannu-Matti Mäkinen, Tomas Balžekas and Mindaugas Glodas (the last both as independent member of the Board) are **nominees for election** to the Board for the current term of the Board
- 3 members of the Board comprise **Audit and Remuneration Committees**
- **UAB Deloitte Lietuva** is proposed for election 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



Ole Stenkil (born in 1973),
Member of the Board,
represents Telia Company AB,
Member of the Audit Committee



Stefan Block (born in 1967),
Member of the Board,
represents Telia Company AB,
Chairman of the Audit Committee



Inga Skisaker (born in 1971),
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 Audit Committee



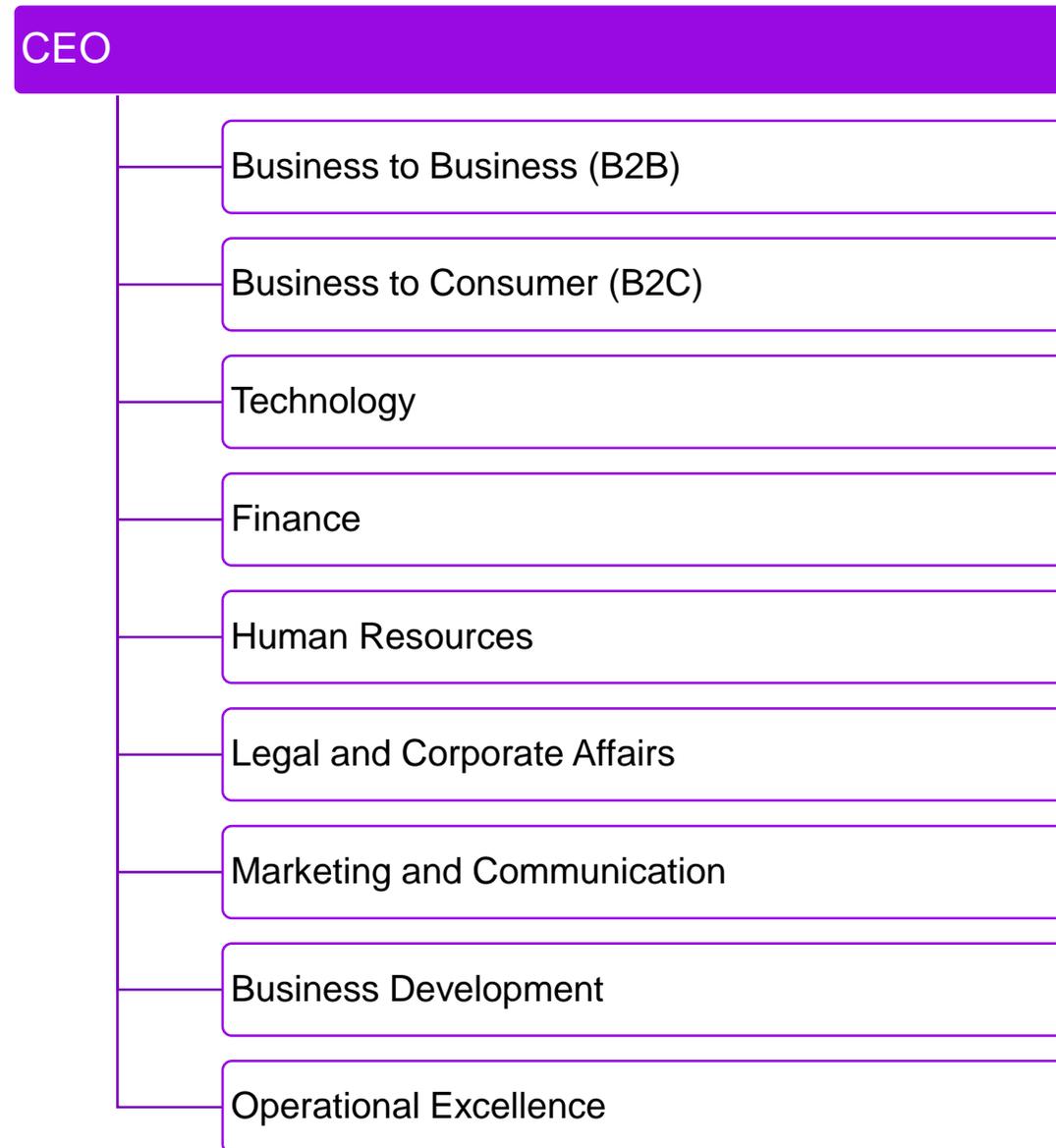
Rolandas Viršilas (born in 1963),
Independent member of the Board,
Member of the Remuneration
Committee

- Stefan Block, Ole Stenkil, Inga Skisaker and Rolandas Viršilas resign from the Board as of 24 April 2018
- Rolandas Viršilas has 75,000 shares of Telia Lietuva, other members of the Board have no direct interest in the share capital of Telia Lietuva



GOVERNING STRUCTURE

VALID FROM 15 DECEMBER 2017



MANAGEMENT TEAM



Kęstutis Šliužas,
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



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



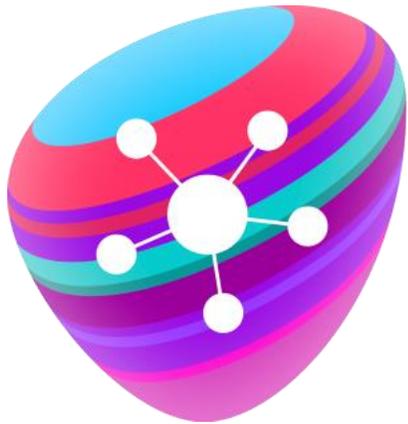
Environmental responsibility



Children safety online



ALL IN APPROACH



Connecting the unconnected



A healthy and safe society



Education for all



Digital entrepreneurship and innovation





Telio

#VISAKOTINKLAS