



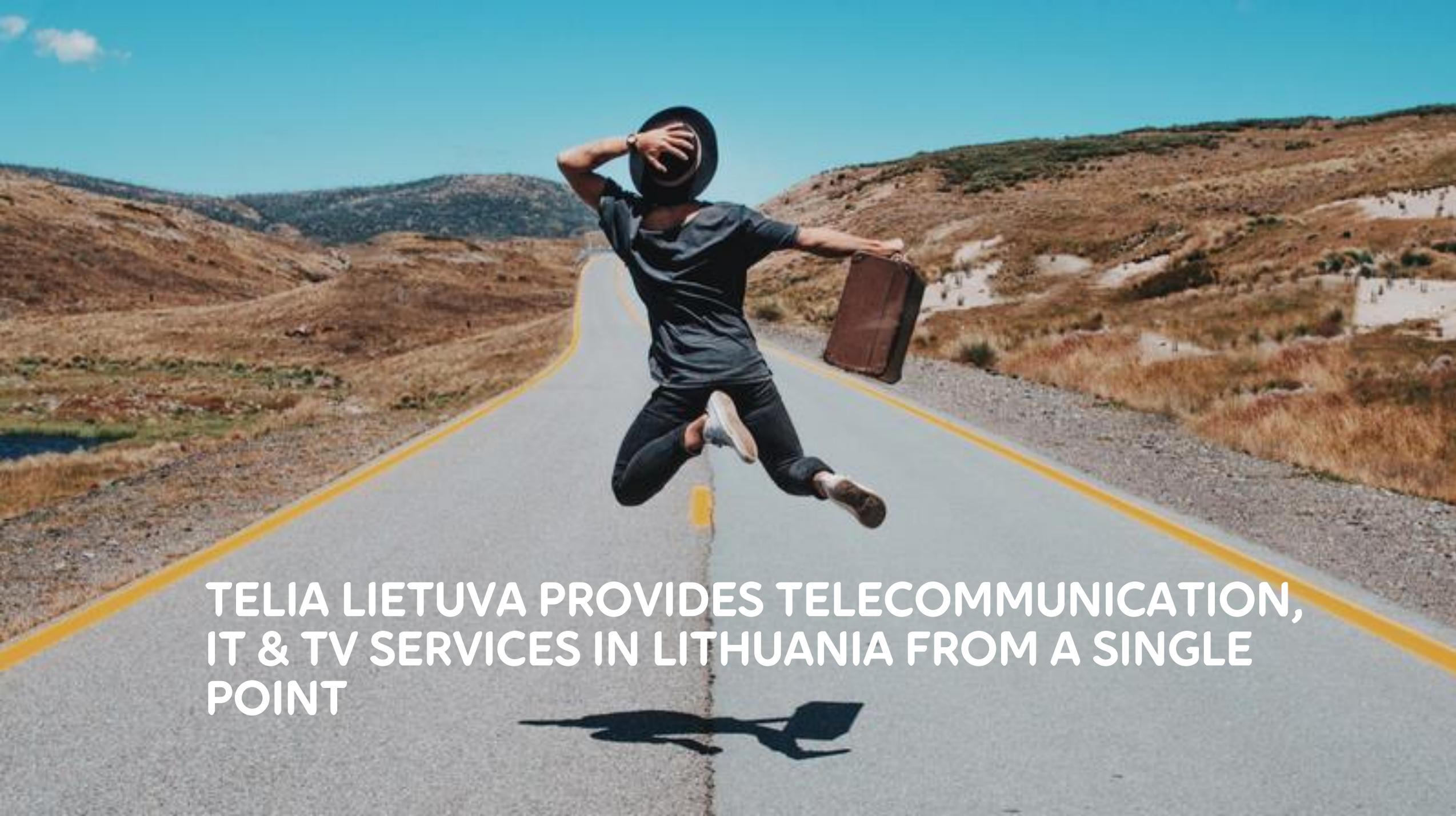
RESULTS FOR THE 3 MONTHS OF 2017

Telia Lietuva, AB Group



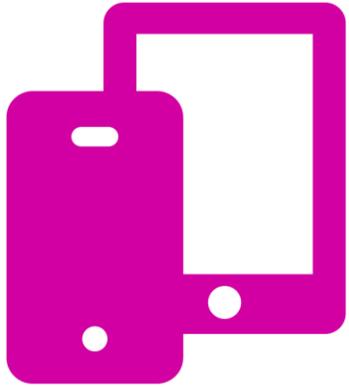


**Teo, Omnitel & Baltic
Data Center united their
efforts and became
Telia Lietuva, AB
#visakotinklas**



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

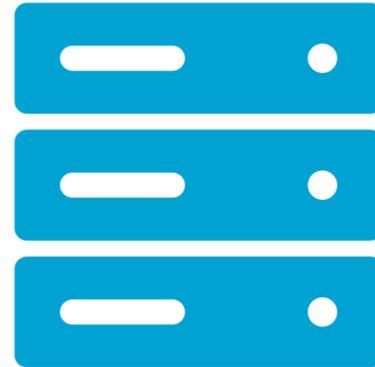
TELIA LIETUVA IS:



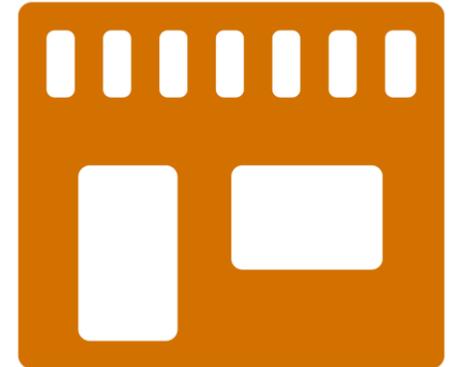
Wide range of services



The most developed networks



Modern data centres



Everything from a single point



TELIA LIETUVA IS:



Customer care
24/7/365



IT Management and
Information Security
Management ISO
certificates



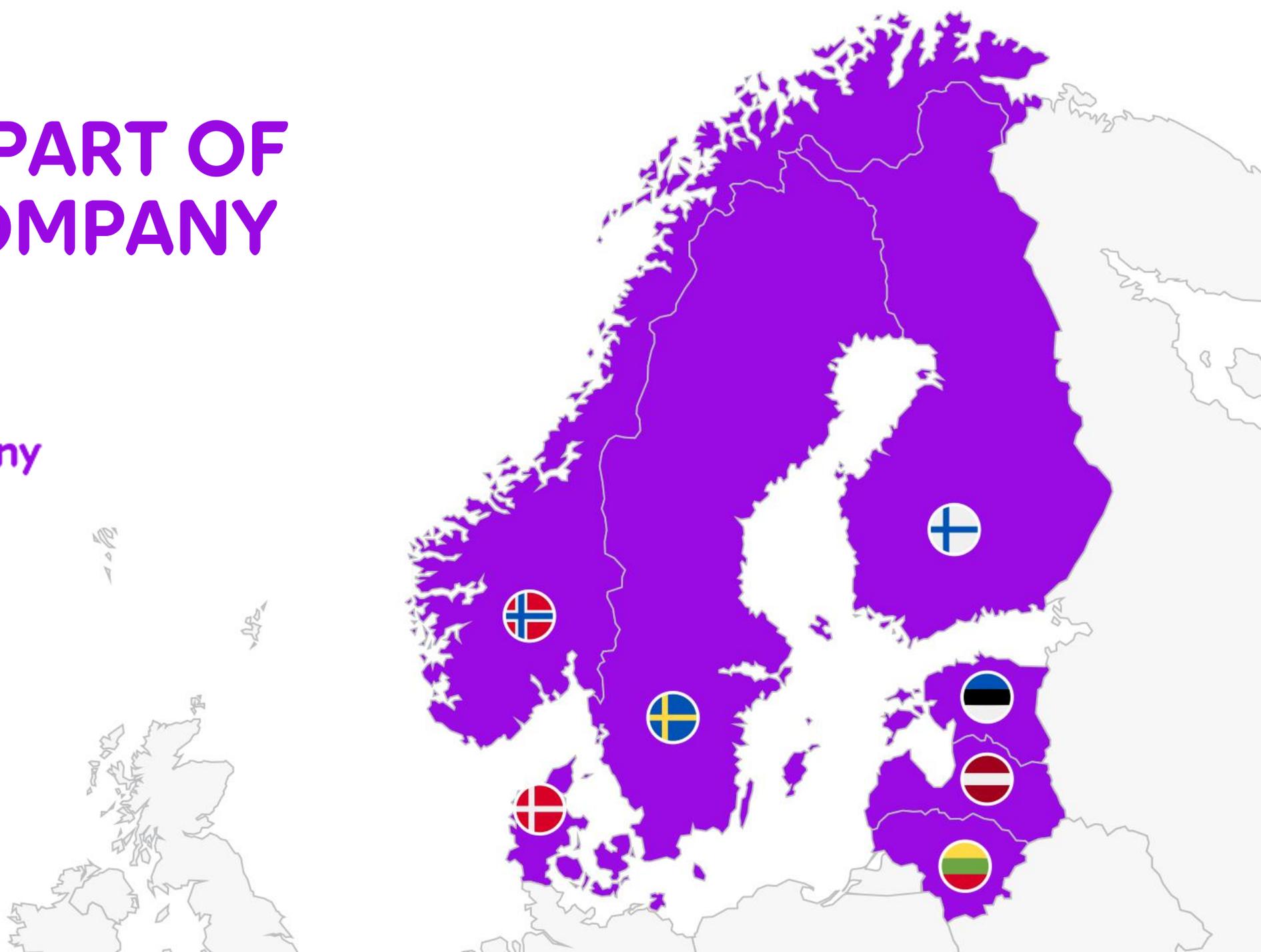
Team of more than
3,000 professionals



Sustainable and
responsible
business



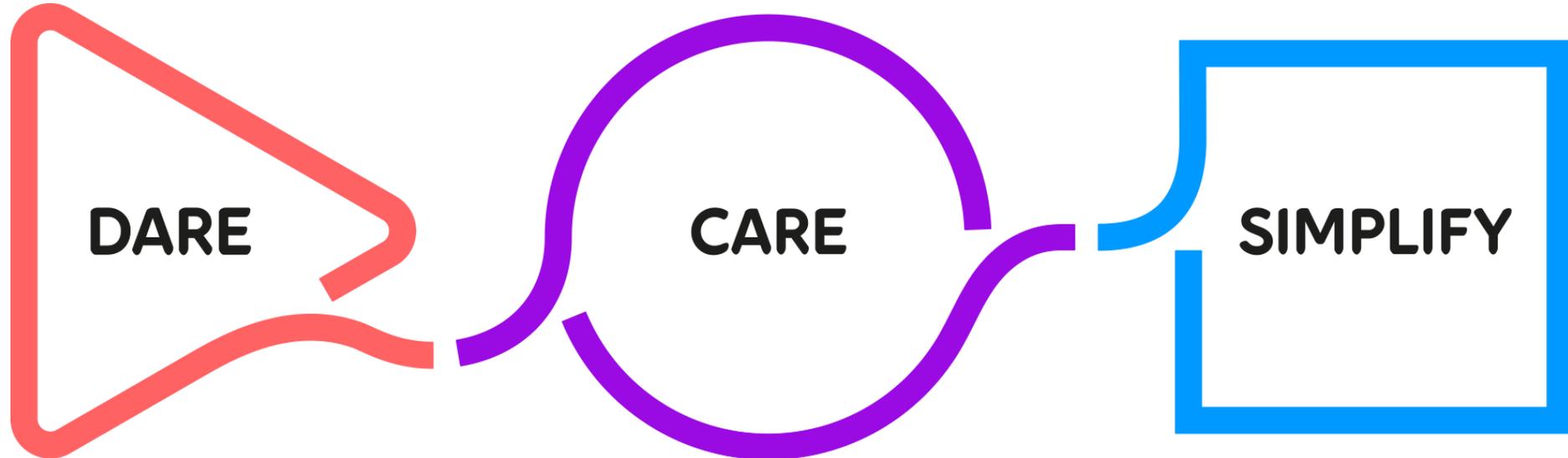
WE ARE PART OF TELIA COMPANY GROUP



**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

100%

Telia Customer
Service LT, UAB

Contact Center

100%

UAB Verslo
Investicijos

Investment project

100%

UAB
Kompetencijų
Ugdymo Centras

Dormant subsidiary

50%

VšĮ Numerio
Perkėlimas

Administration of data
base for number
portability

- On 1 February 2017, subsidiaries **AB Omnitel** and **AB Baltic Data Center** were merged into **TEO LT, AB** and TEO LT, AB changed the name into **Telia Lietuva, AB**, while subsidiary UAB Lintel changed to **Telia Customer Service LT, UAB**.



OPERATING FIGURES



2.2%

1,346

thousand of
mobile service users



7.8%

454

thousand of
fixed telephone lines
in service



2.4%

405

thousand of
broadband Internet
connections



6.7%

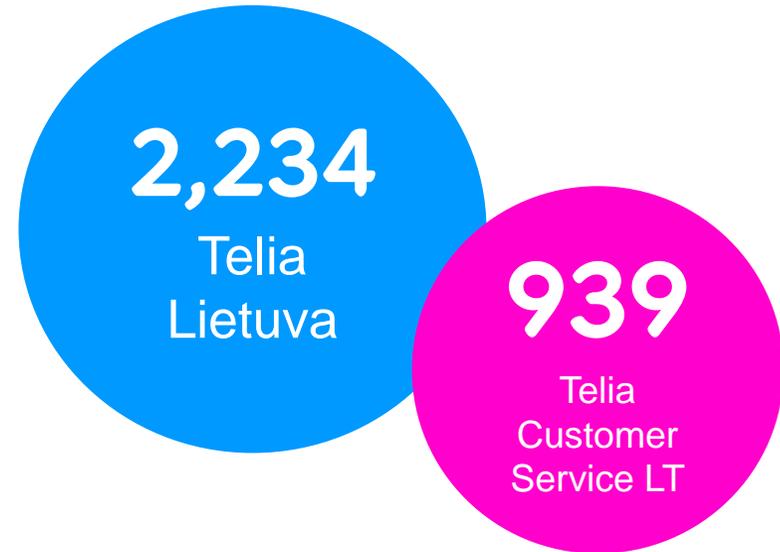
232

thousand of
TV service users

Data as of 31-03-2017 & change (y-o-y)



NUMBER OF EMPLOYEES



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



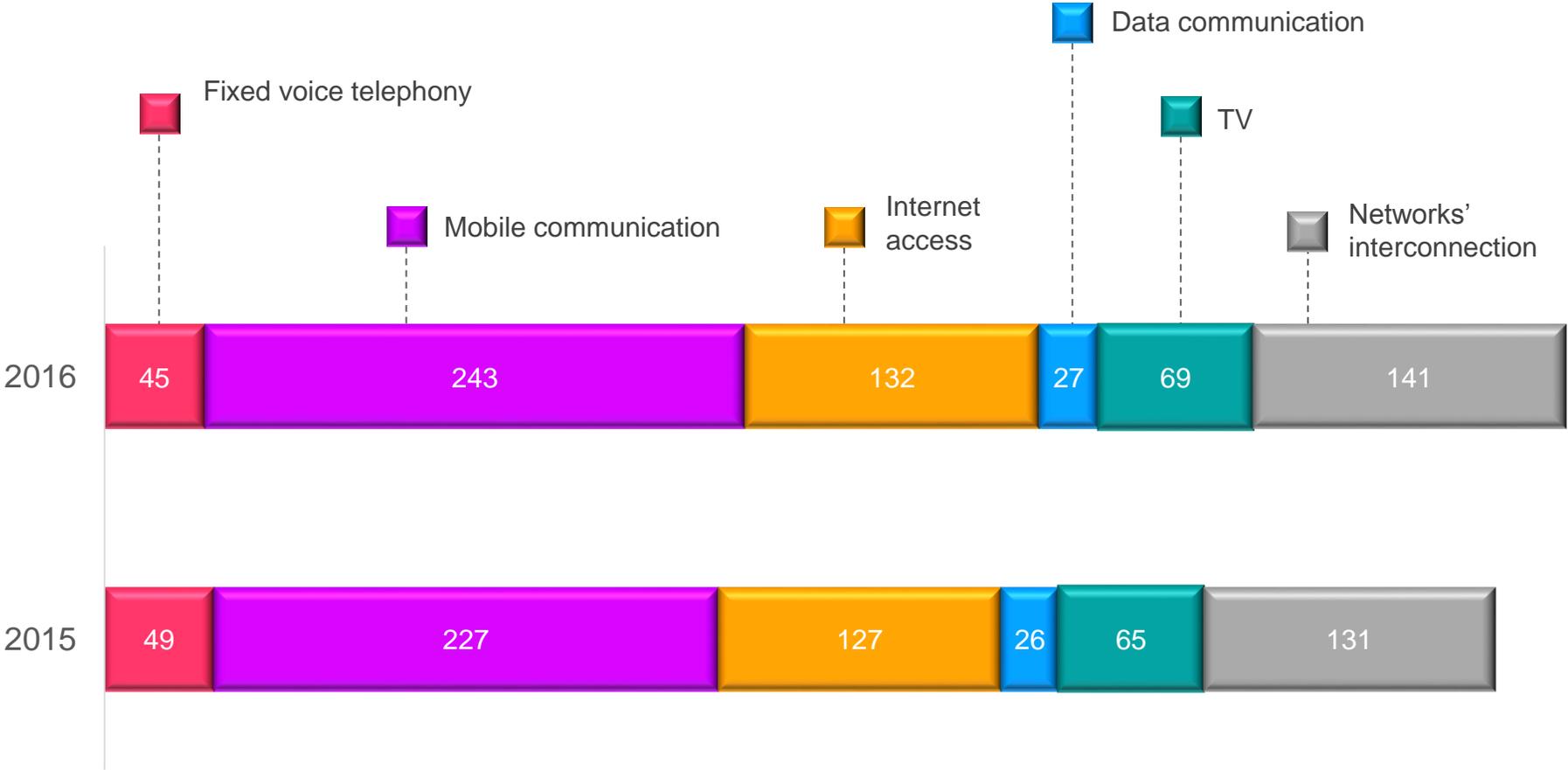
In total **3,100** (31-03-2016)



ELECTRONIC COMMUNICATIONS MARKET OF LITHUANIA

WE ARE OPERATING IN GROWING TELCO MARKET

(EUR MILLION)



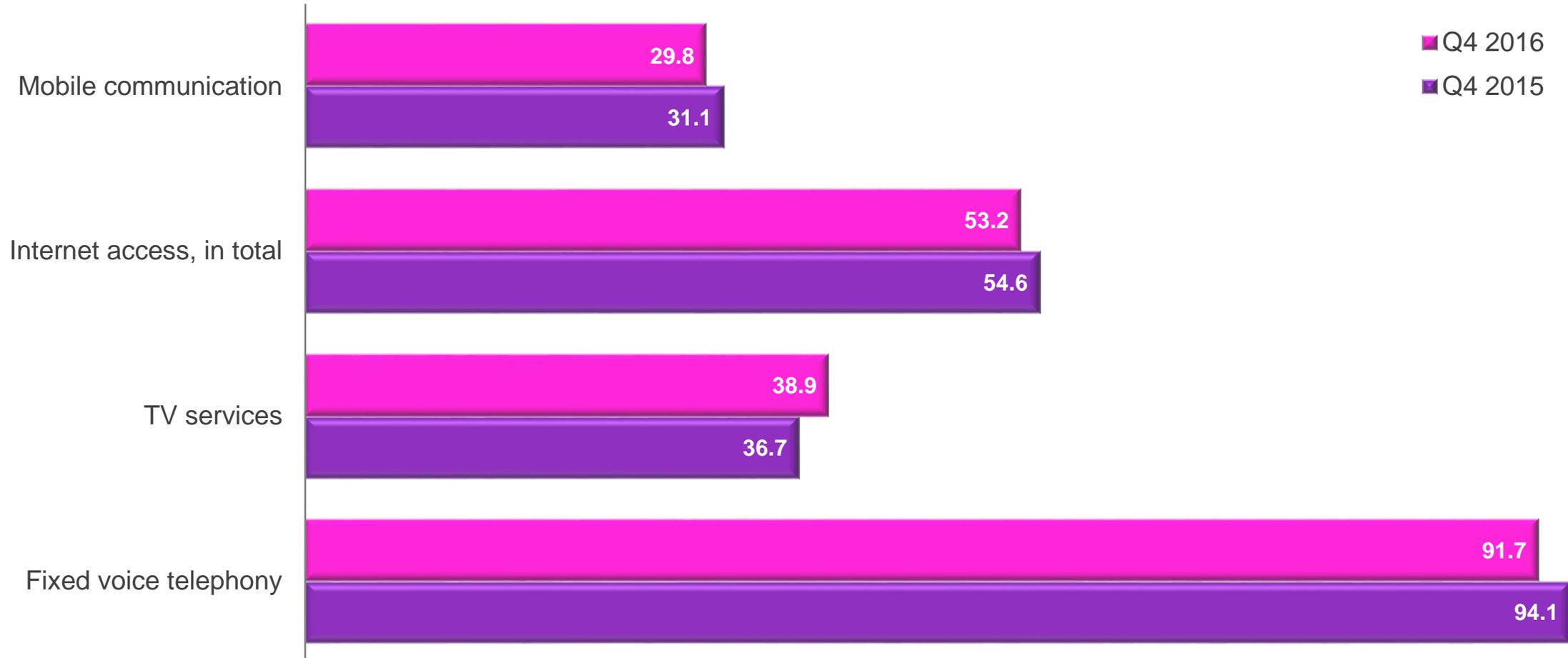
+4.8%

Source: Report of the Communications Regulatory Authority



SEGMENTS: WE HAVE 1/3 OR MORE OF THE MARKET

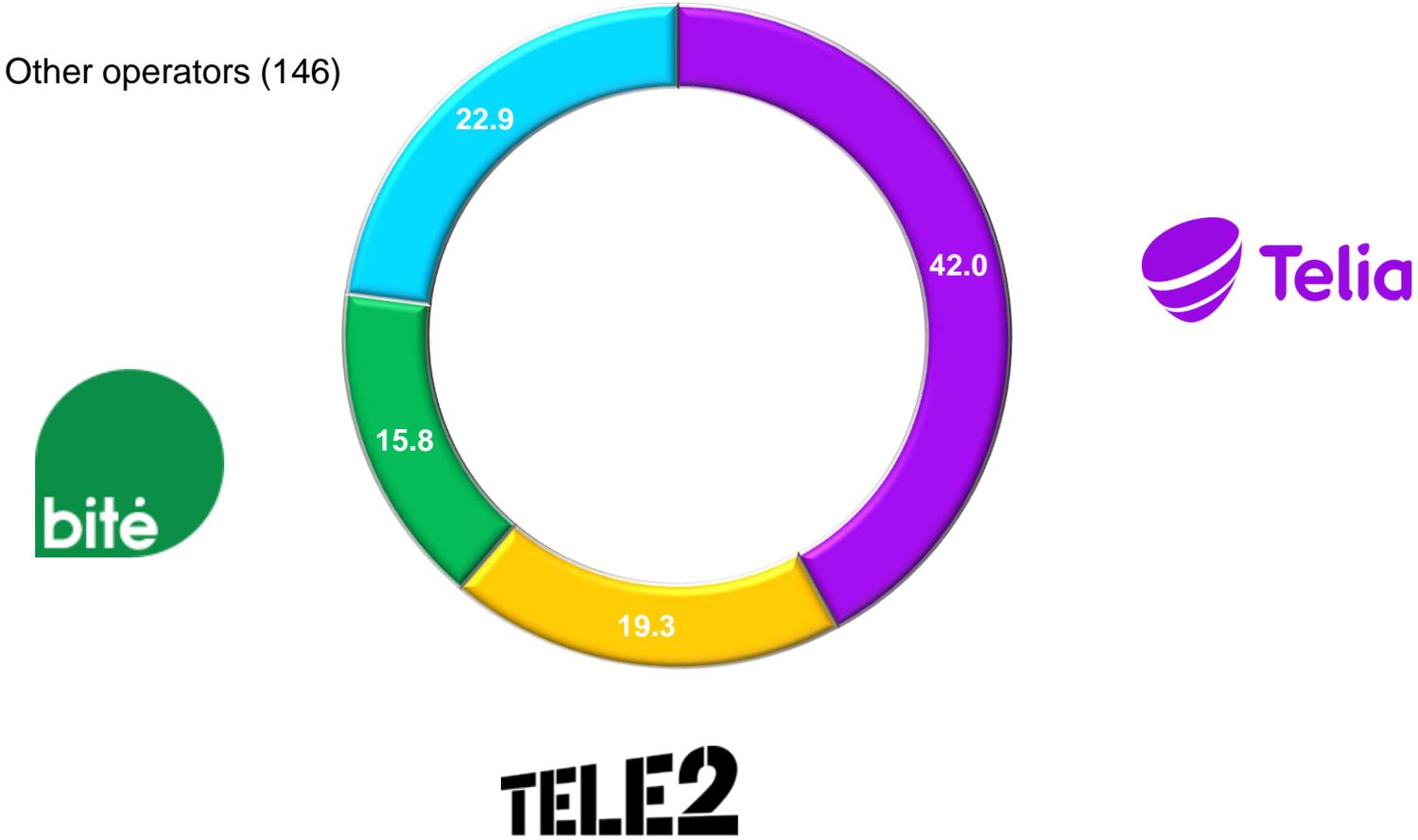
Teo + Omnitel market shares in terms of revenue (%)



Source: Report of the Communications Regulatory Authority



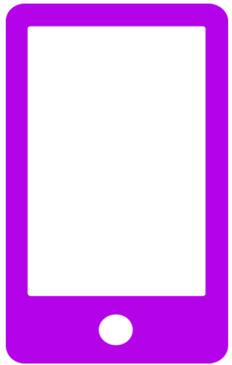
BREAKDOWN OF THE TELECOMMUNICATIONS MARKET REVENUE IN 2016 BY OPERATORS



Source: Report of the Communications Regulatory Authority



FAST GROWING USAGE OF DATA



1.8%

Reviving usage of **mobile voice** services

(**170 min/month**
per SIM card)



2 times

Increased usage of **mobile data**

(uploaded/downloaded
22.2 thousand TB
of data per quarter)



14.5%

Growing number of **IPTV users**

(accounts for **29%** of all
pay-TV service users)



MARKET PENETRATION PER 100 INHABITANTS



147.6

mobile communications
subscribers



18.3

fixed telephony lines



44.7

broadband Internet
access



55.6

pay-TV subscribers
(households)



OPERATING AND FINANCIAL RESULTS

NEW OFFERS TO CUSTOMERS DURING Q1 2017



The **speed** of broadband Internet over fiber-optic connections **increased up to 1 Gbps**



Broadband (DSL) Internet + 4G mobile Internet = **Hybrid type Internet** of speed up to 100 Mbps

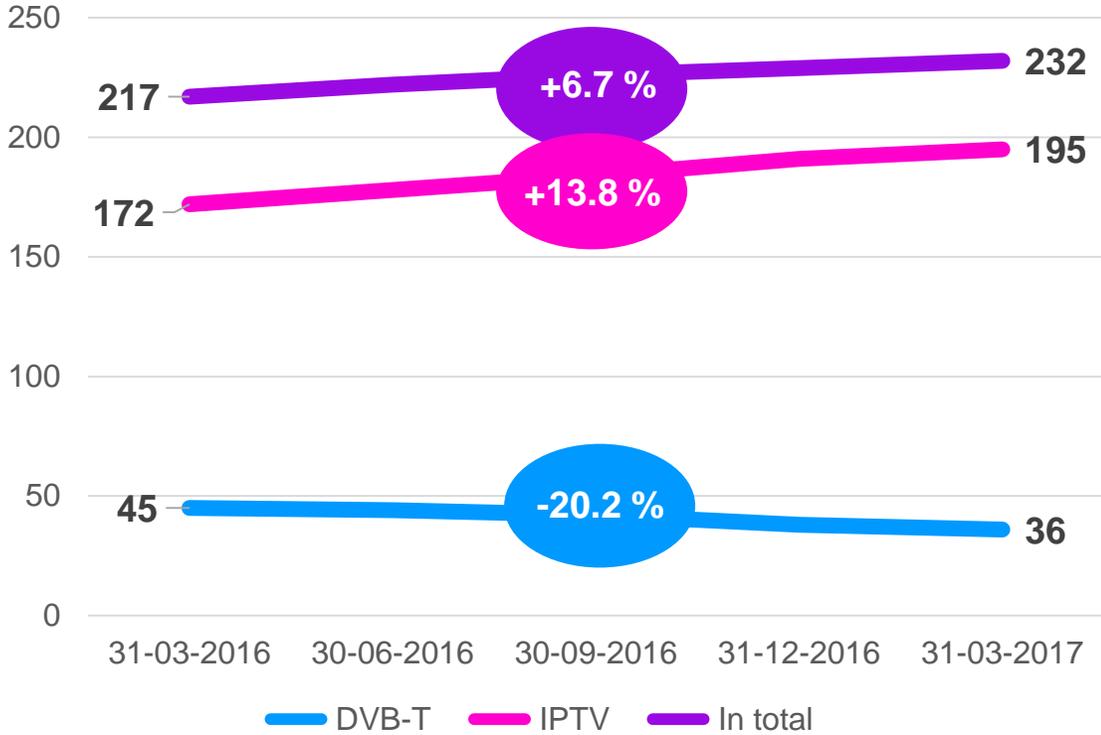


Telia Cloud – new service to business customers

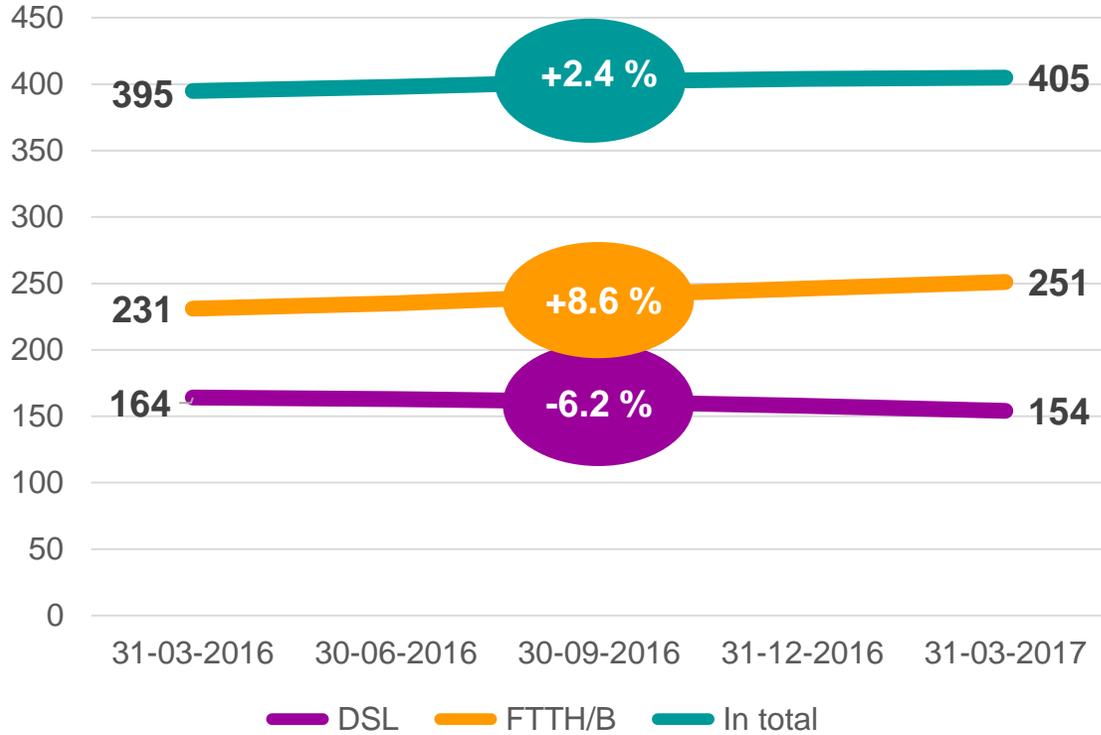


THE FASTEST GROWTH IN NUMBER OF IPTV AND FTTH USERS

Number of TV service users (thousands)

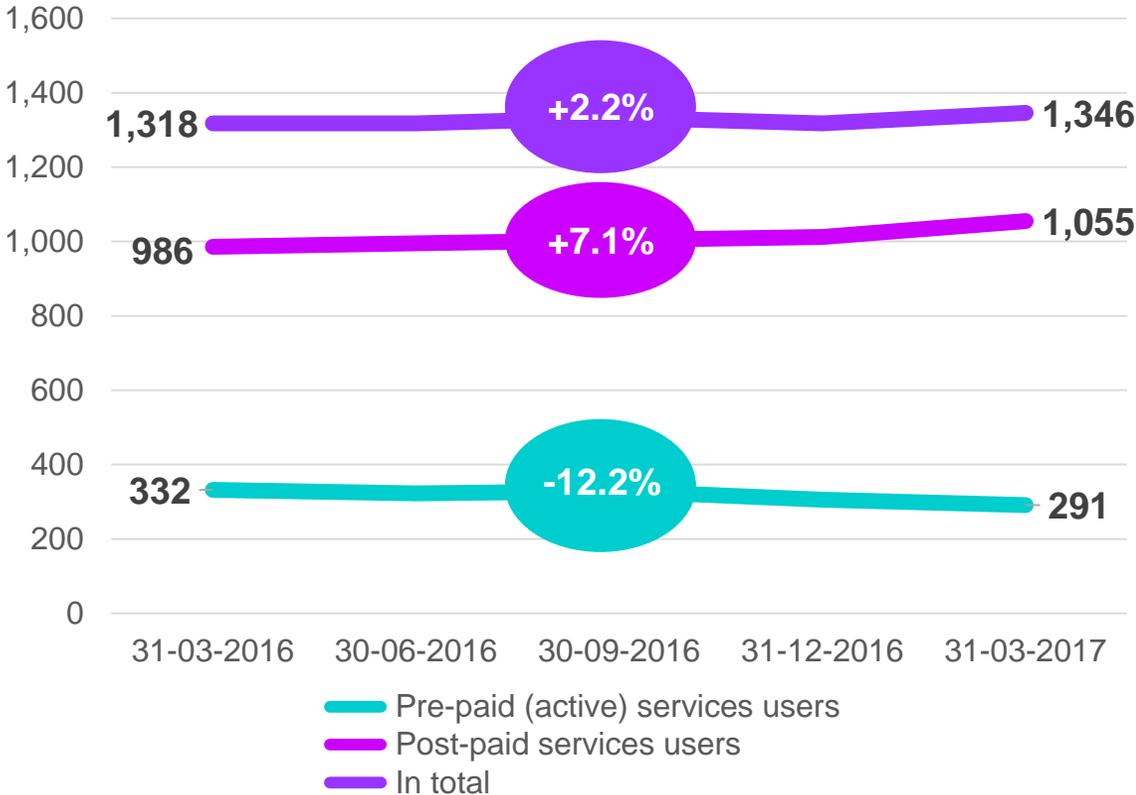


Number of broadband Internet users (thousands)

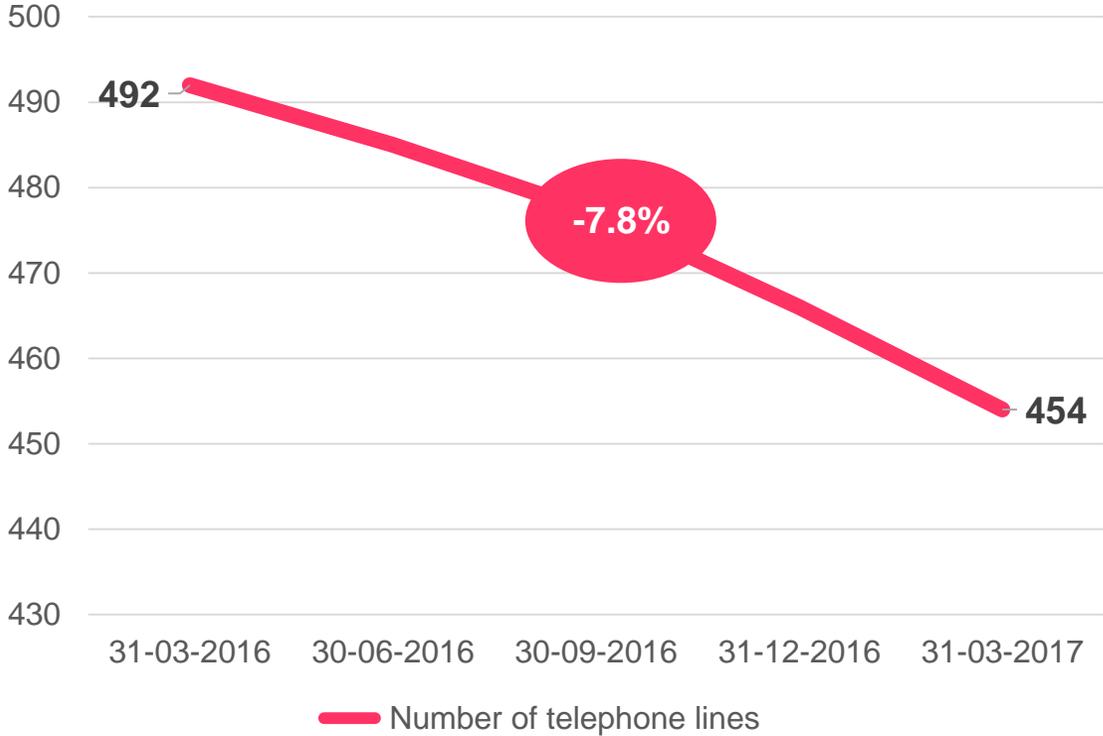


NUMBER OF MOBILE POST-PAID SERVICE USERS IS GROWING

Mobile communication users (thousands)

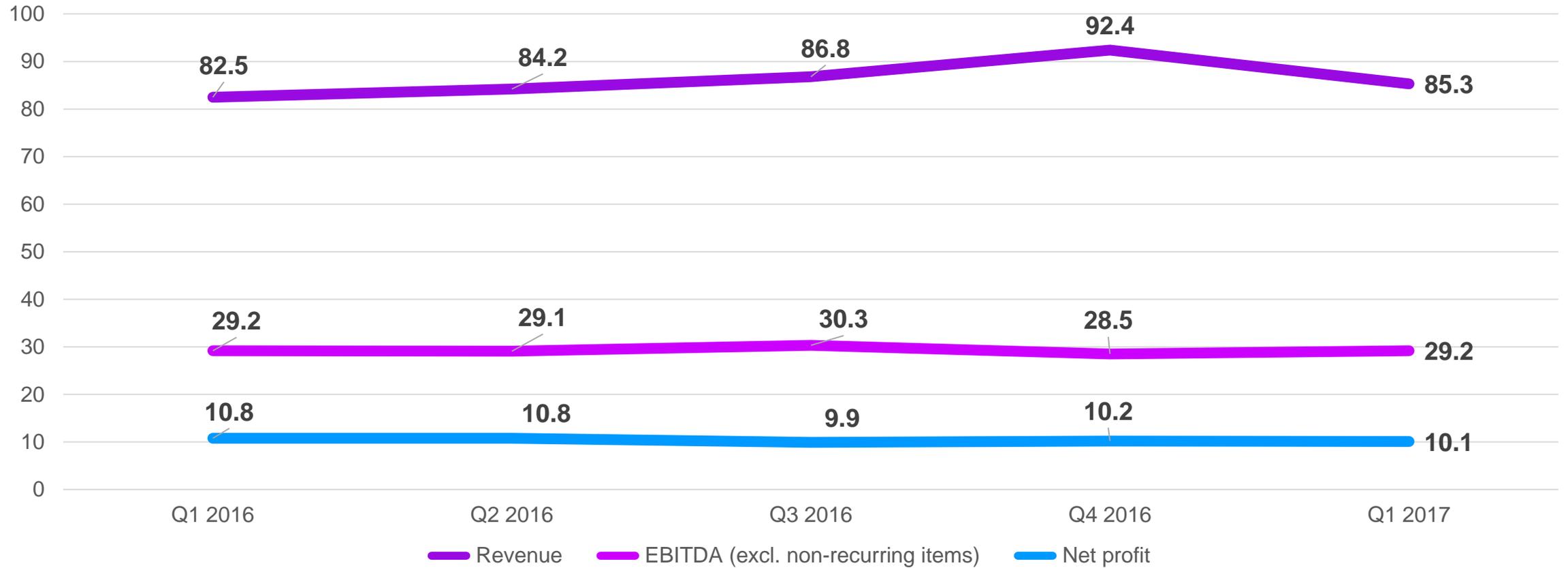


Number of fixed telephone lines (thousands)



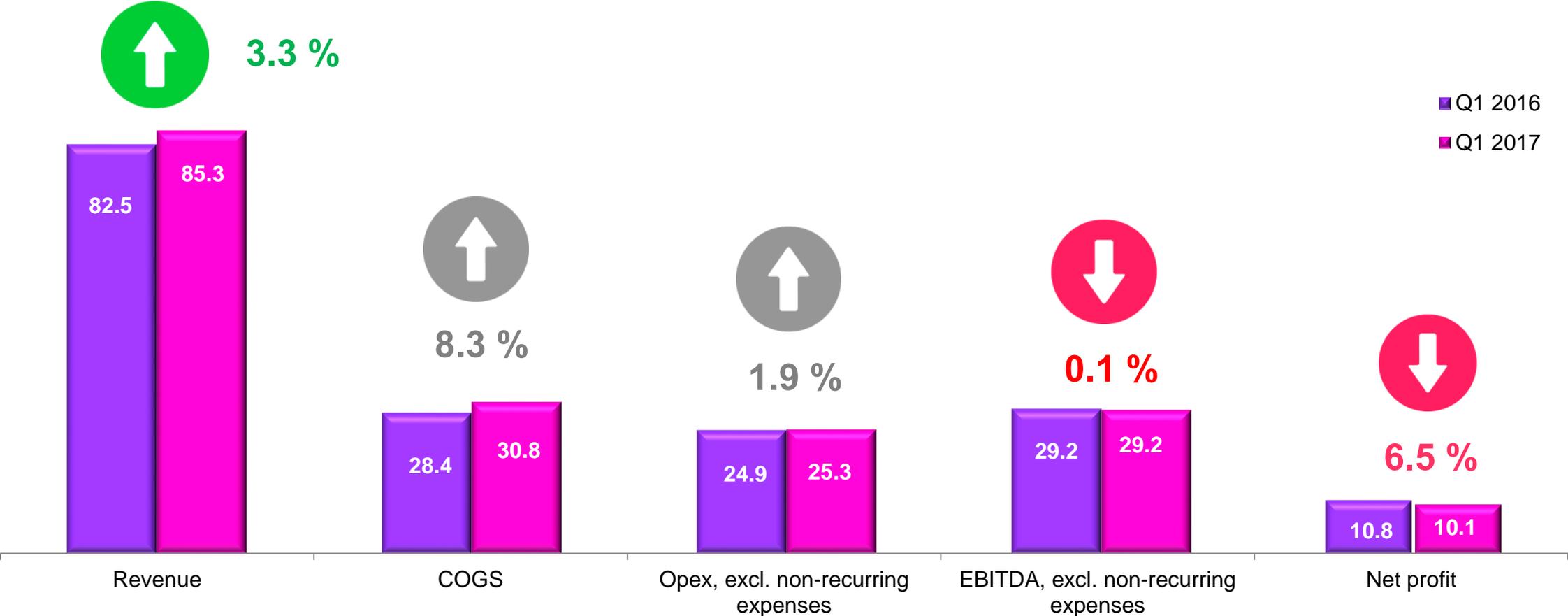
REVENUE, EBITDA & NET PROFIT

(EUR millions)



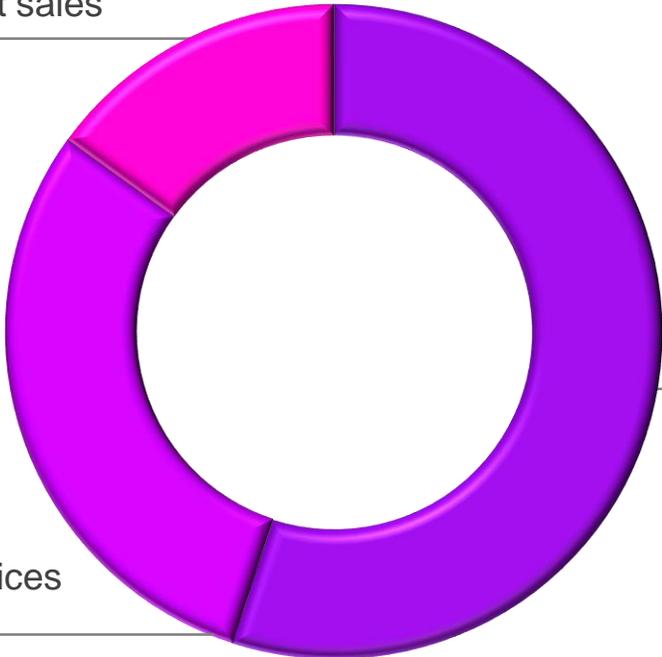
DYNAMICS OF MAIN FINANCIAL INDICATORS

(EUR million)



Q1 2017 REVENUE BREAKDOWN

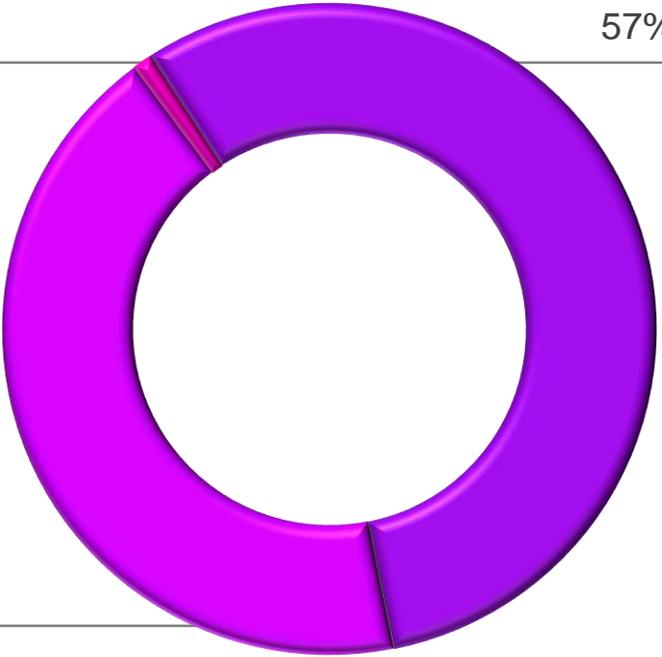
15% Equipment sales



55% Broadband services

30% Mobile services

1% Other



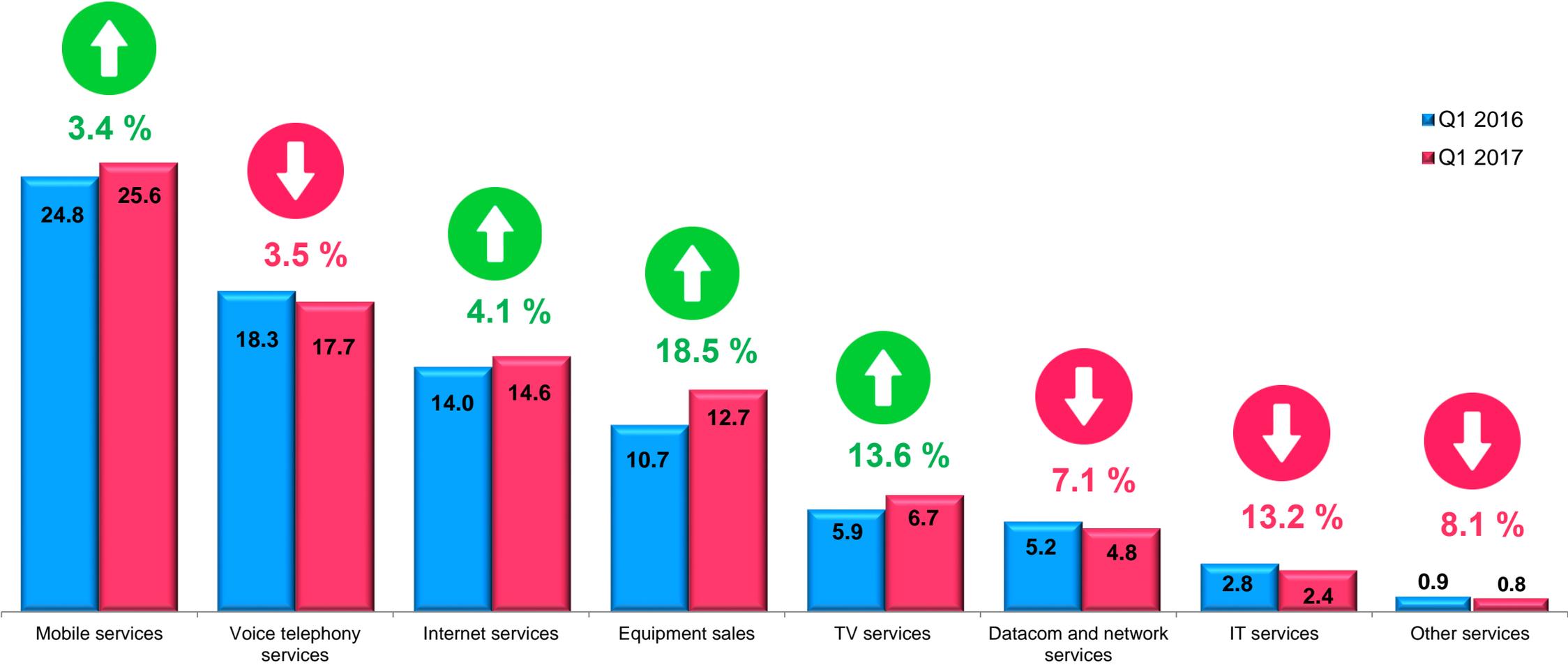
57% B2C

42 % B2B



REVENUE BY SERVICES

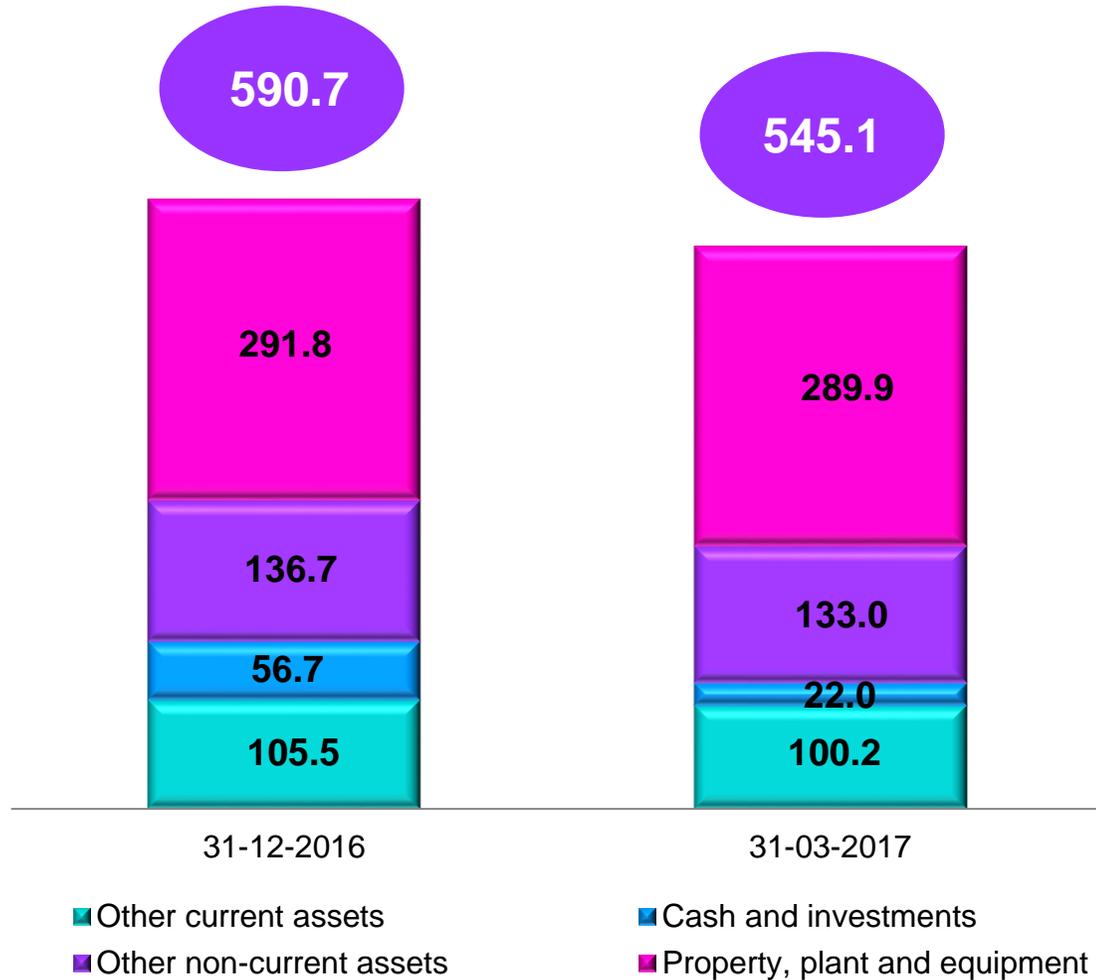
(EUR million)



OPERATING EXPENSES (EUR million)



ASSETS (EUR million)



- During Q1 2017, **total assets** decreased by 1.3%
- **Non-current assets** amounted to 77.6% of total assets (31-03-2017)
- **Cash** alone amounted to 4%
- **Return on capital employed:** 10%
- **Return on average assets:** 8.4%



EQUITY AND LIABILITIES (EUR million)



- Shareholders' **equity** amounted to 51.4% of the total assets (31-03-2017)
- During Q1 2017, the Company repaid the first tranche (EUR 30 million) of the long-term **loan of EUR 150 million** taken to finance Omnitel acquisition
- Total **borrowings** amounted to EUR 190 million (31-03-2017)
- **Gearing ratio:** 59.9%
- **Debt to equity:** 67.7%
- **Return on equity:** 15.3%
- The Board proposed to the AGM of shareholders to be held on 27 April 2017 to allocate **EUR 17.5 million for dividends for the year 2016** and EUR 50.6 million as not distributed profit to carry forwards to the next financial year



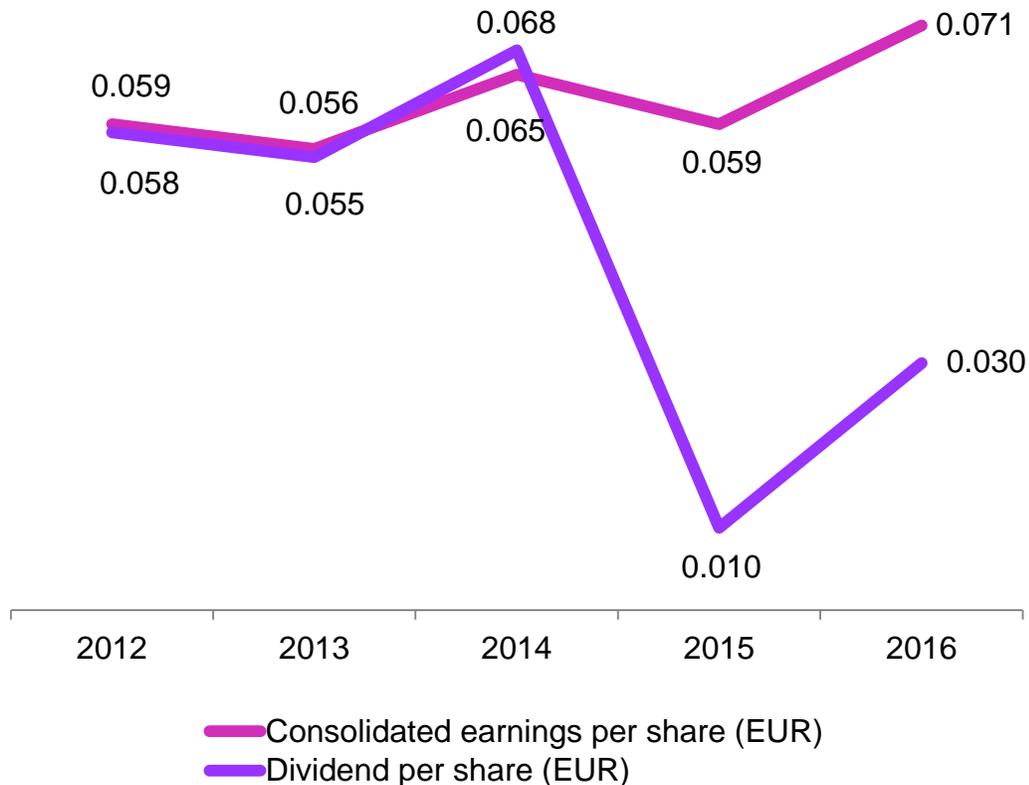
CASH FLOW

(thousand EUR)	3 months of 2017	3 months of 2016
Net cash from operating activities	23,440	18,052
Net cash used in investing activities	(21,048)	(148,002)
Net cash used in financing activities	(37,000)	142,970
Increase in cash and cash equivalents	(34,608)	13,020

- **Free Cash Flow** during Q1 2017 was EUR 2.4 million, while a year ago it was negative and amounted to EUR 385 thousand
- **Investments** during Q1 2017 amounted to EUR 12.9 million (EUR 10.7 million a year ago)
- EUR 4.1 million invested into development of **mobile network** and EUR 4.1 million – to expansion of the **fixed network**
- EUR 4 million invested into **IT systems**
- In January 2016, the Company took a long-term **loan of EUR 150 million** to finance acquisition of Omnitel, and in January 2017, repaid the first tranche of EUR 30 million



DIVIDENDS



- Earnings and dividends till 2014 are 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 proposed** to the AGM of Shareholders, that will be held on 27 April 2017, to decide on **EUR 0.03 dividend per share for the year 2016**
- 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



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 and accordingly number of **voting shares was reduced** from 776,817,518 to **582,613,138**

Shareholders as of 31-03-2017

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

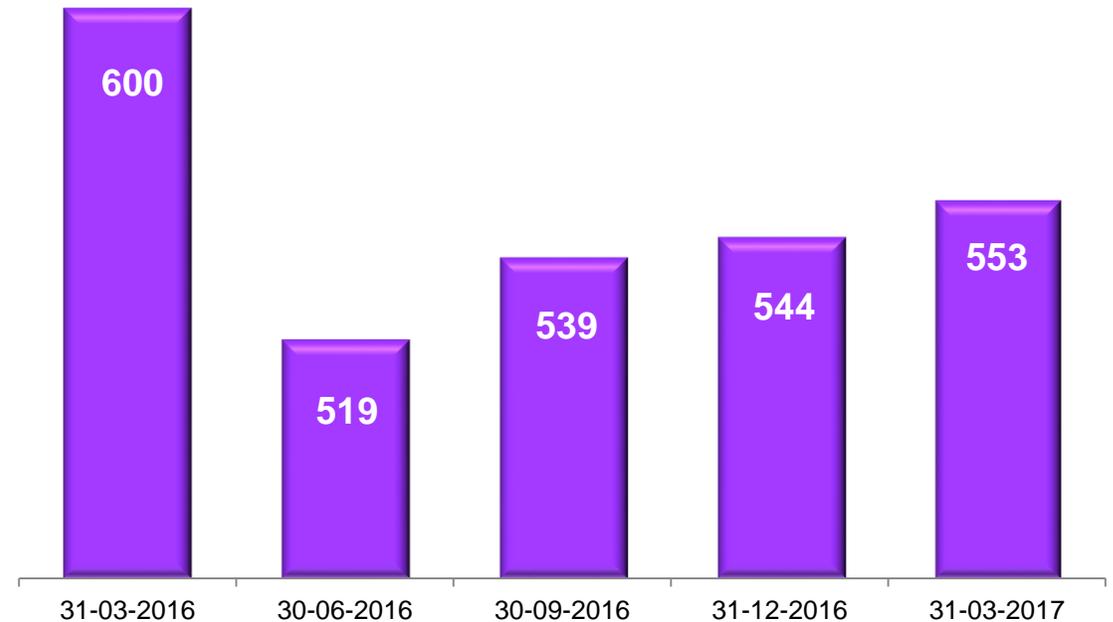


SHARES

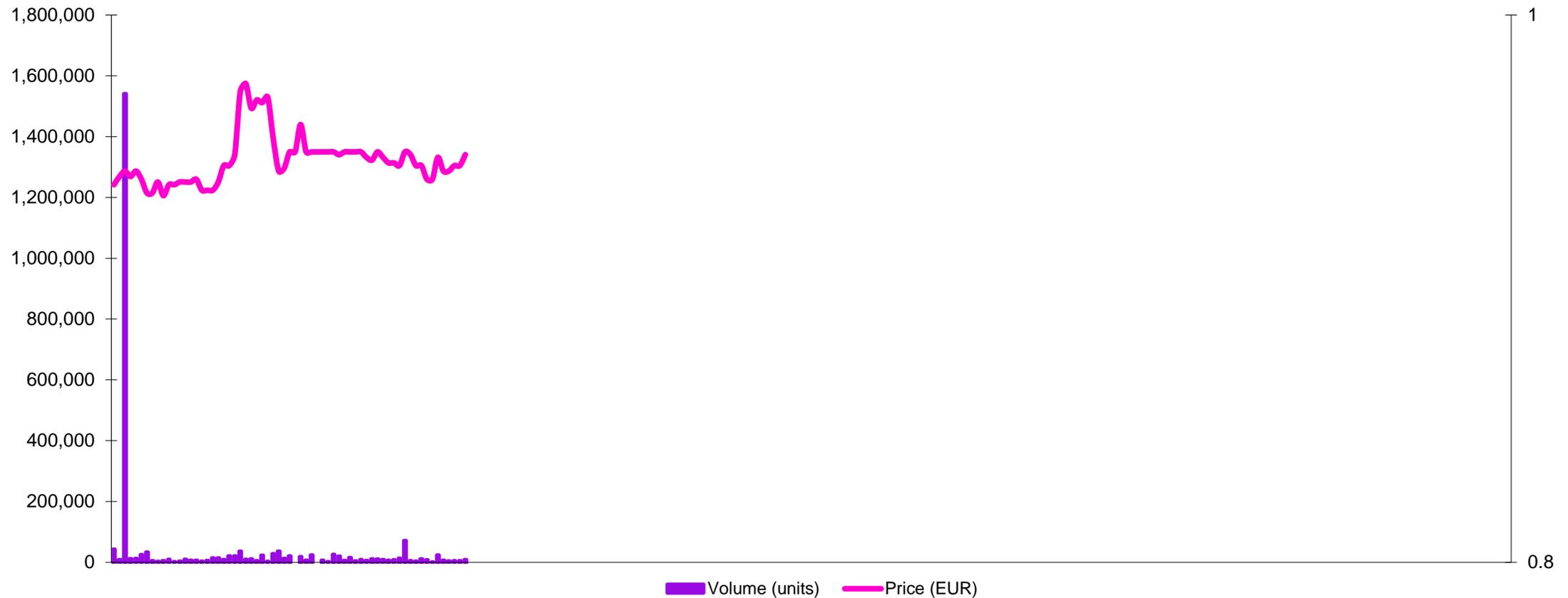
- Since June 2000, the Company's shares are listed on **Nasdaq Vilnius stock exchange** (ticker: TEL1L)
- Since January 2011, the Company's shares were included into the trading lists of a few German stock exchanges (ticker: ZWS)
- **Turnover** on Nasdaq Vilnius stock exchange during January-March 2017: 2.3 million of shares or EUR 2.2 million
- Share **price** on Nasdaq Vilnius:

	EUR
01-01-2017	0.933
High	0.979
Low	0.923
31-03-2017	0.949

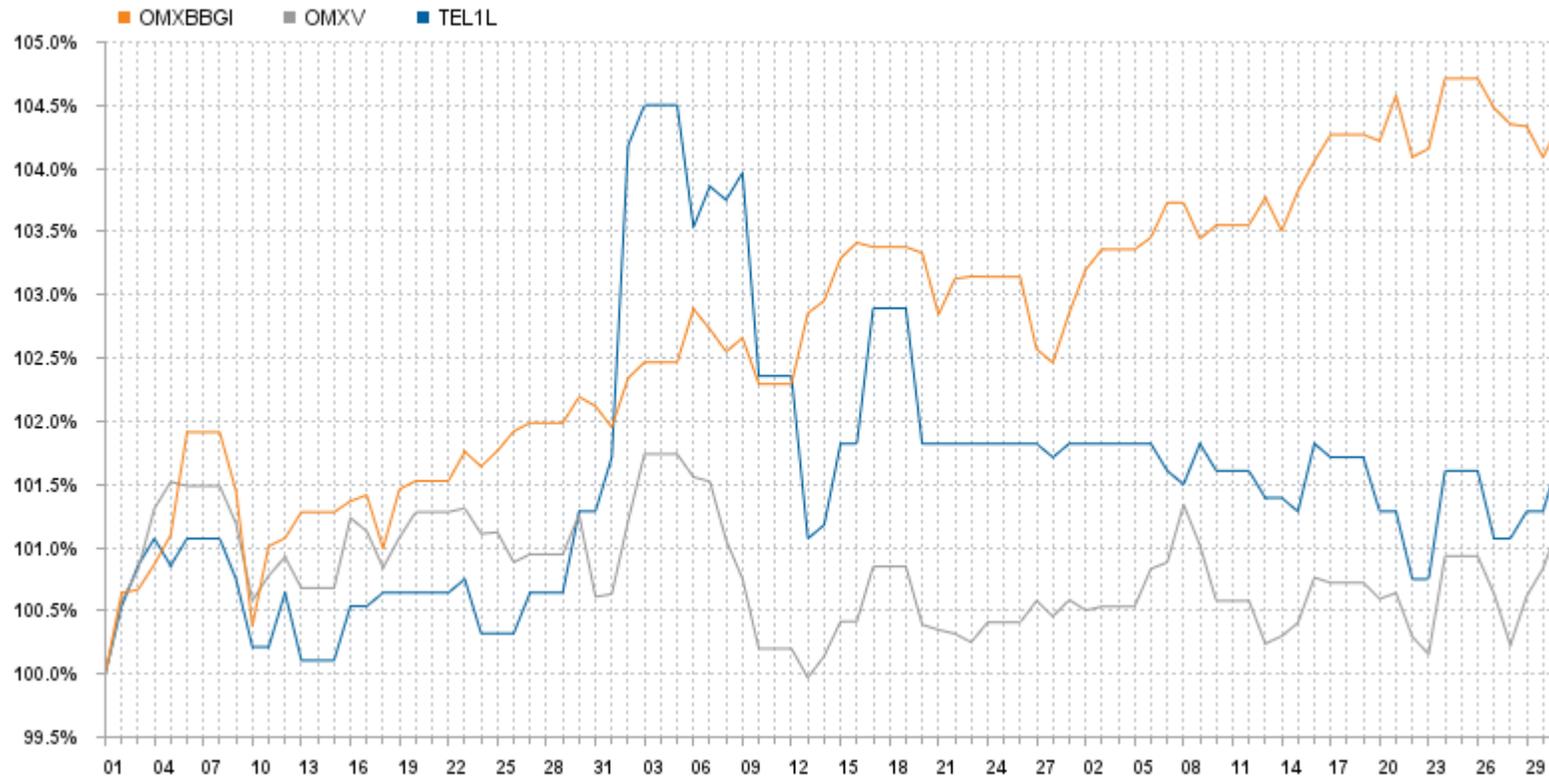
Market capitalization (EUR million)



TRADING IN THE COMPANY'S SHARES ON NASDAQ VILNIUS STOCK EXCHANGE IN 2016



THE COMPANY SHARE PRICE AND NASDAQ VILNIUS INDEXES COMPARISON



Source: Nasdaq Vilnius



CORPORATE GOVERNANCE

The background features a series of overlapping, wavy, diagonal bands of color. From top-left to bottom-right, the colors are: a dark purple band, a medium purple band, a light yellow band, a bright orange band, and a small teal band in the bottom right corner.

GOVERNING BODIES

- The Annual **General Meeting of Shareholders** will be held on 27 April 2017
- The **Board** consist of 6 members elected for the 2 year term
- Upon termination of the 2 year term of the Board it is proposed to **re-elect** Stefan Block, Claes Nycander, Inga Skisaker and Rolandas Viršilas (the last both as independent member of the Board) and instead of Robert Andersson and Hannu-Matti Mäkinen to **elect** to the Board Henriette Wendt and Ole Stenkil
- 3 members of the Board comprise **Audit and Remuneration Committees**
- **UAB Deloitte Lietuva** is the Company's independent auditor for the year 2017
- The Board elects and recalls **CEO**



BOARD



Robert Andersson (born in 1960),
Chairman of the Board,
represents Telia Company AB,
Chairman of the Remuneration
Committee



Hannu-Matti Mäkinen (born in
1970)
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

- 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

FROM 1 JANUARY 2016



MANAGEMENT TEAM



On the picture from left to the right:

Laimonas Devyžis,

Head of Finance

Giedrė Kaminskaitė-Salters,

Head of Legal

Mantas Goštautas,

Head of Business Development

Kęstutis Šliužas,

CEO

Andrius Šemeškevičius,

Head of Technology

Ramūnas Bagdonas,

Head of Human Resources

Vytautas Bučinskas,

Head of Risk

Audronė Mažeikaitė,

Head of Corporate Affairs

Andrius Byčkovas,

Head of Competitive Customer
Operations

Norbertas Žioba,

Head of B2C

- Norbertas Žioba owns 3,601, Andrius Šemeškevičius – 8,761 **shares of Telia Lietuva.** Other managers do not own any shares of the Company
- In April 2017, **Mindaugas Ubartas** took the position of Head of B2B





Telia

#VISAKOTINKLAS