

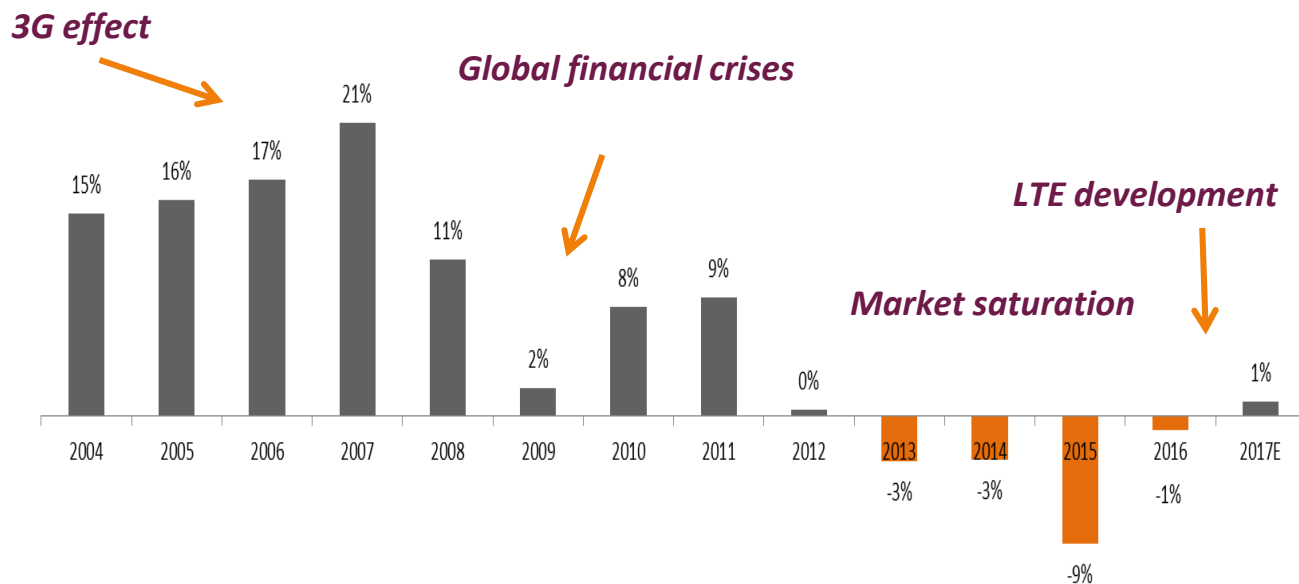
MOBILE AND CONSUMER TRENDS DEVELOPMENT

Ella Bogoslavskaya
Head of strategy planning division

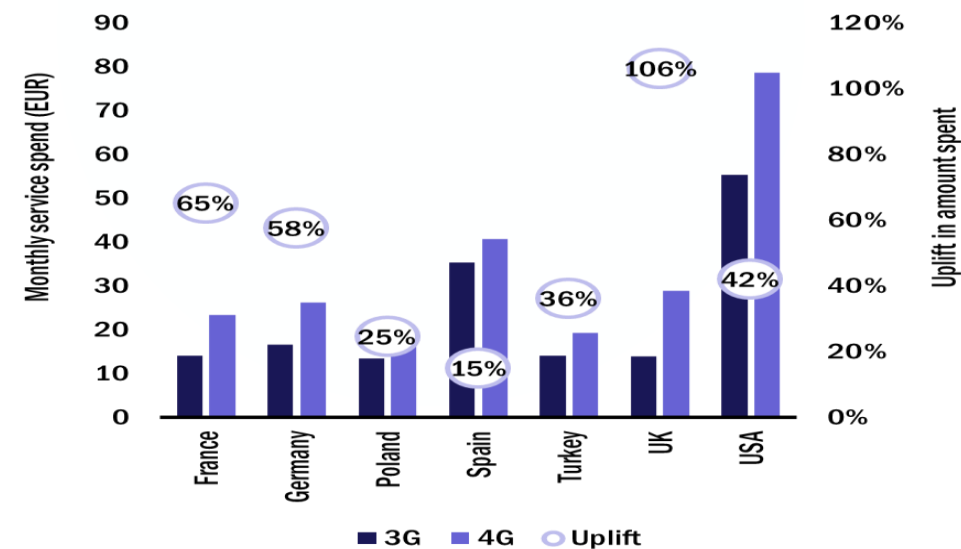
TELE2

WESTERN EUROPE MARKET SHOWED FOUR YEARS DECLINE. LTE WILL BE ONE OF THE GROWTH DRIVERS

Mobile service revenue growth, Western Europe



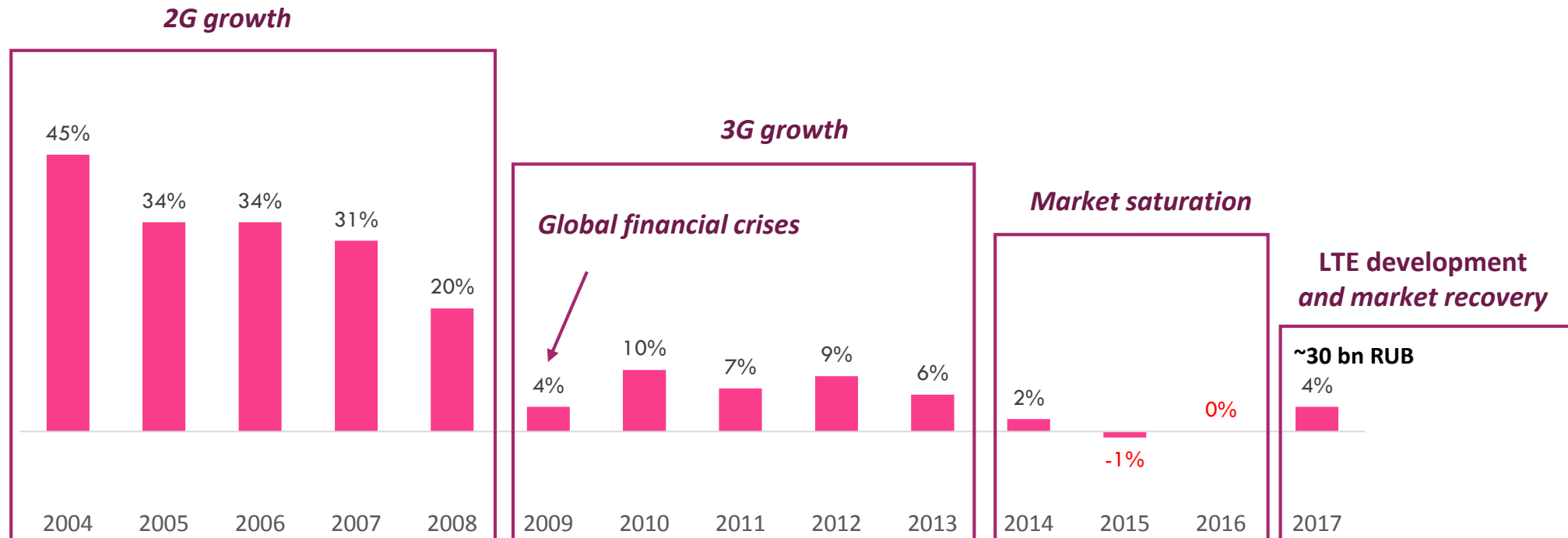
4G ARPU is higher than 3G



Source: Analysys Mason

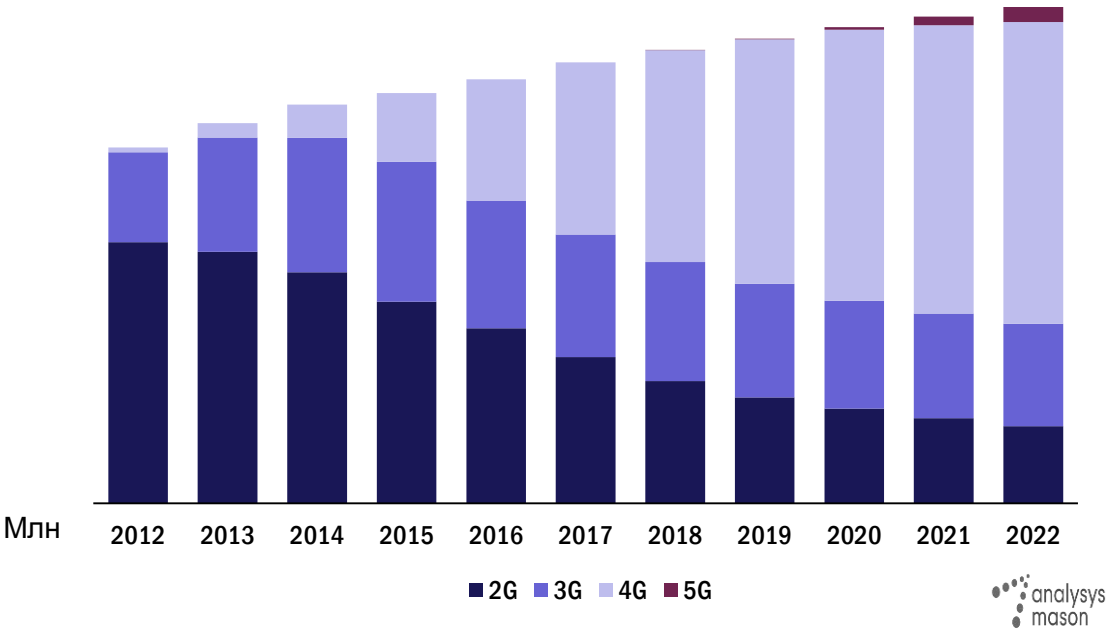
RUSSIA TRENDS LAG BEHIND THE EUROPEAN MARKET FOR 2-3 YEARS WITH 2 YEARS DECLINE IN 2014-2015. WILL THE GROWTH CONTINUE IN 2018 AND FURTHER?

Mobile service revenue growth, Russia

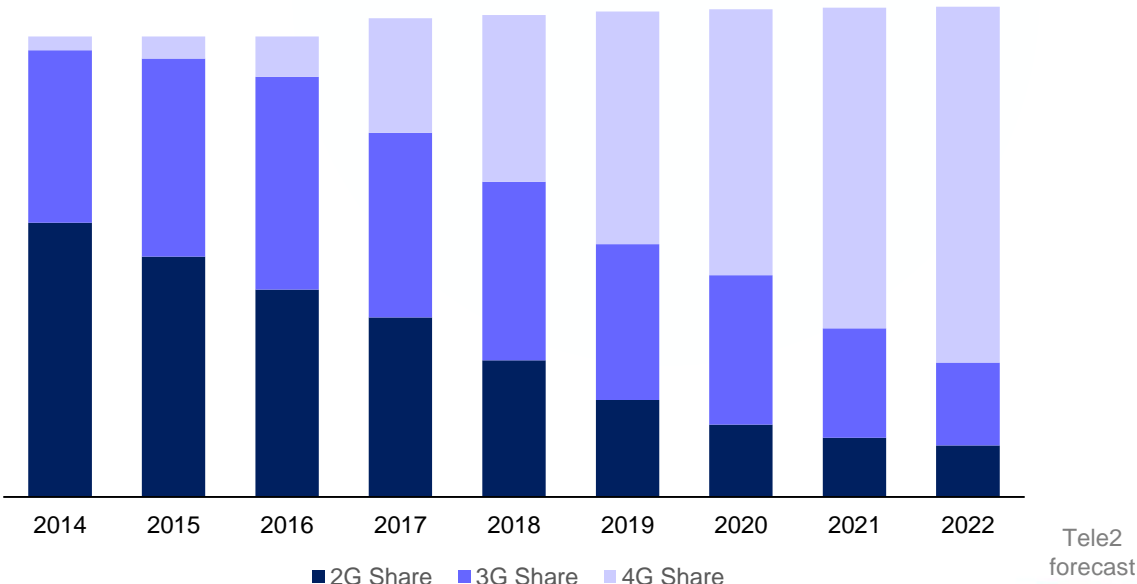


4G SMARTPHONES PENETRATION IN RUSSIA CORRESPONDS TO WORLD TRENDS

Smartphones penetration globally



Smartphones penetration in Russia



ACTIVE DATA USERS WITH LTE SMARTPHONES WILL BE THE KEY INDUSTRY DRIVER

2G handset user

3G smartphone active data user

4G smartphone active data user



+14% ARPU

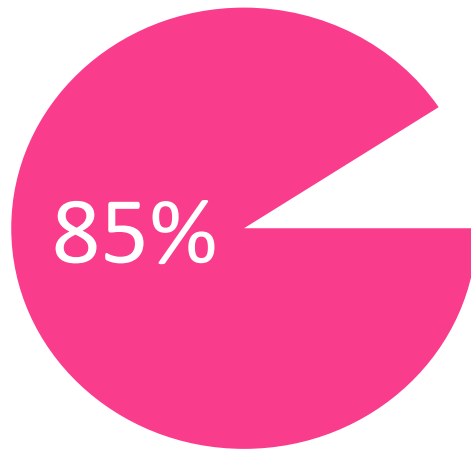


+24% ARPU

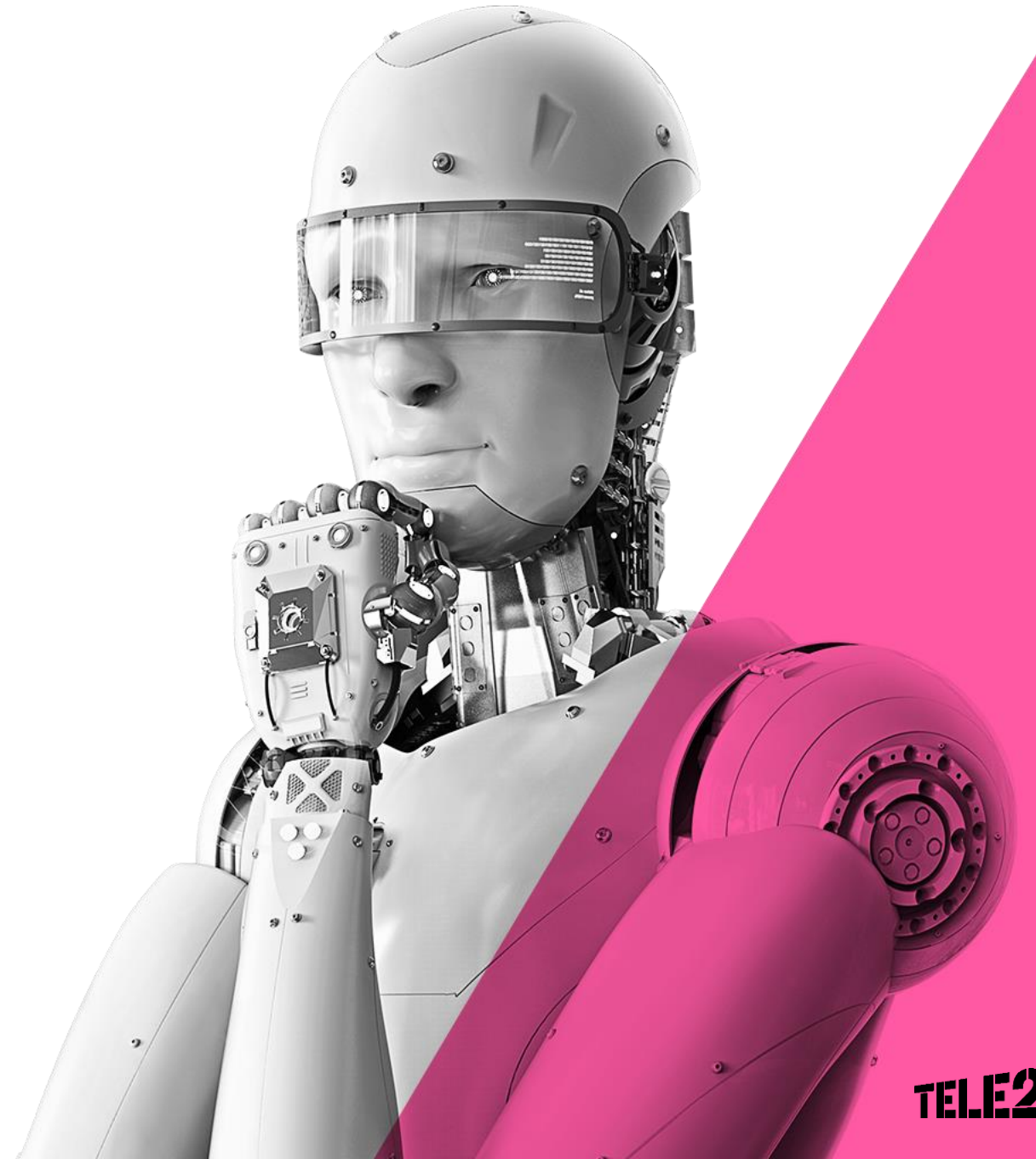


IT'S A DIGITAL - FIRST WORLD

By 2020, customers will manage



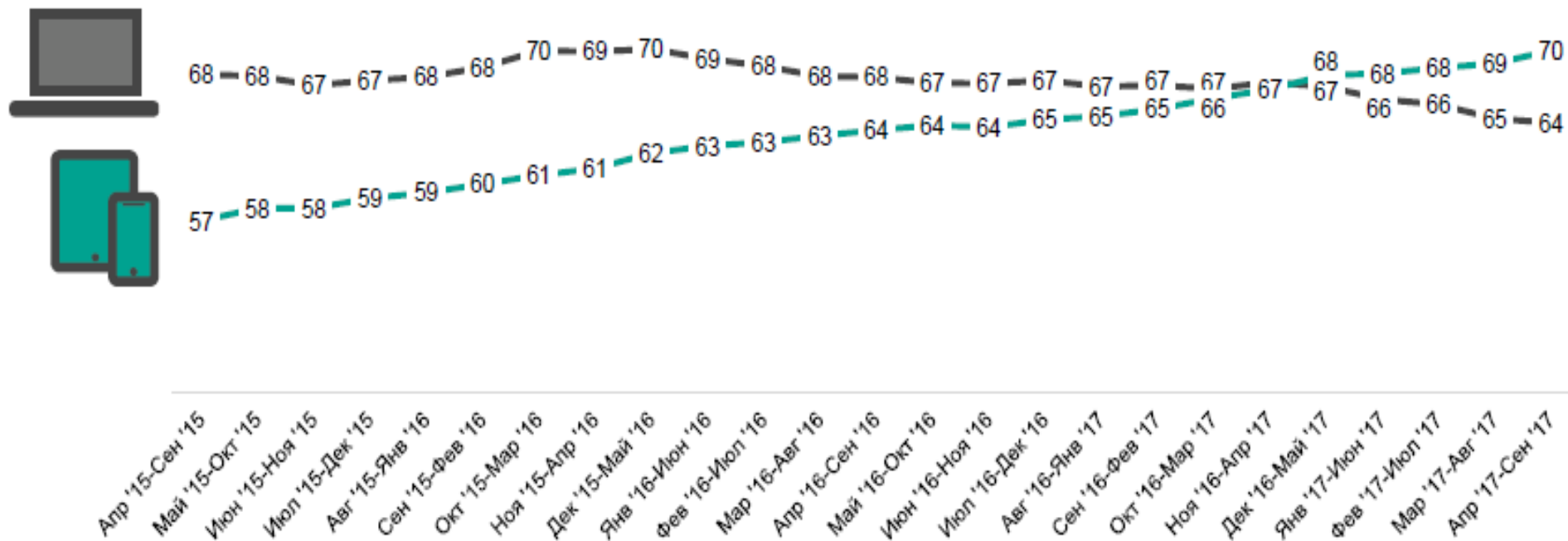
of their relationships with enterprises
without interaction with a human



Smartphone is the first screen now

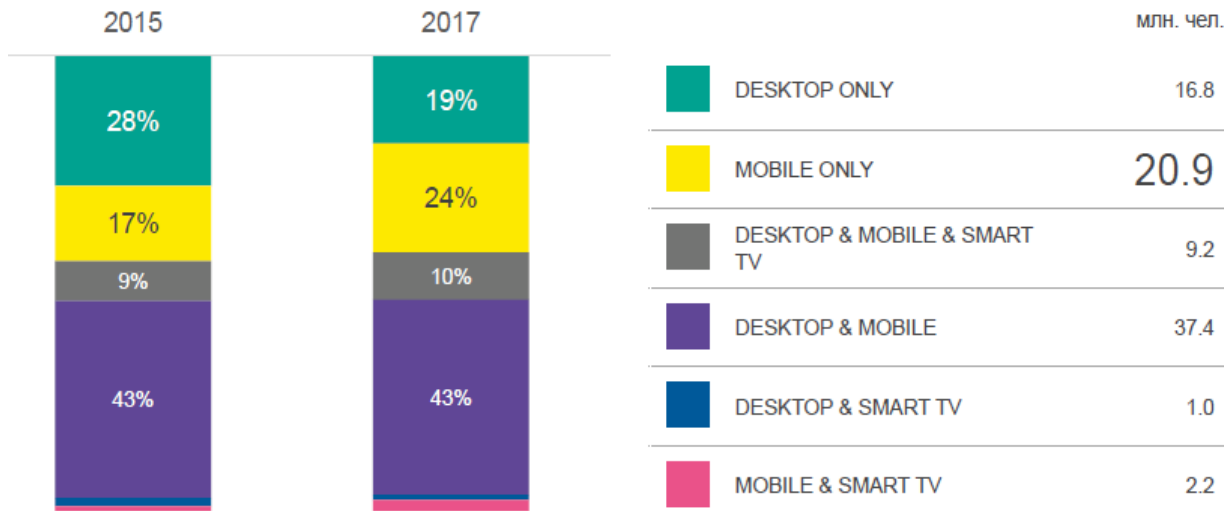
2017 is the year of mobile internet

Russia 0+, time spent in internet



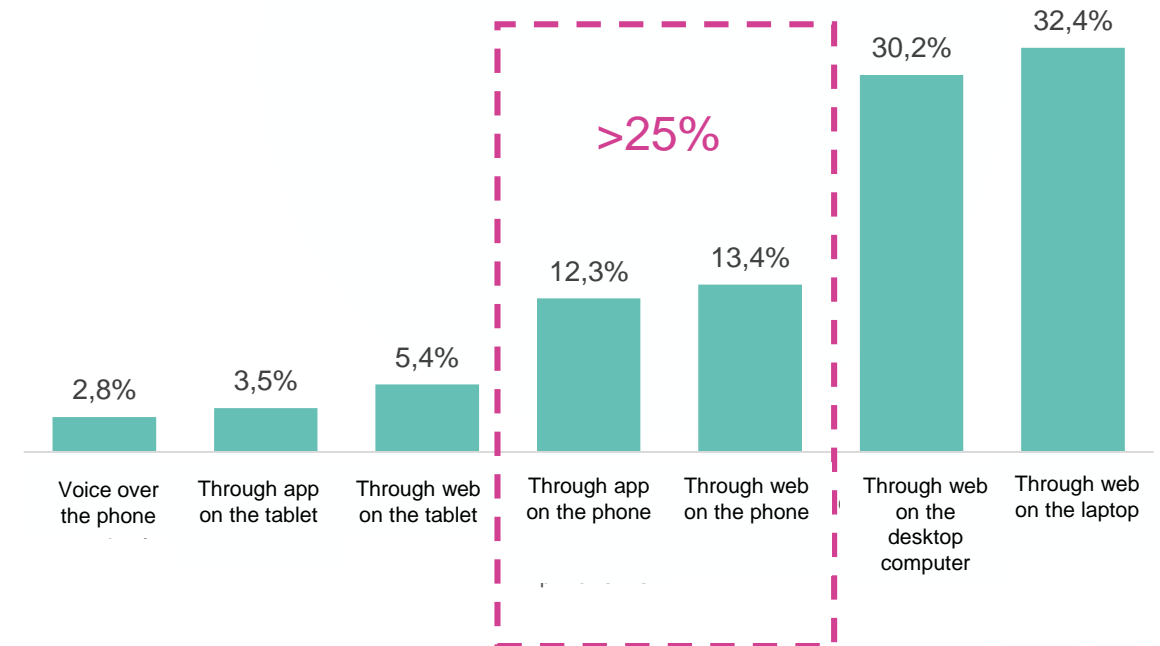
A QUARTER OF INTERNET USERS GO ONLINE AND MAKE PURCHASES WITH A PHONE

New trend – mobile-only users

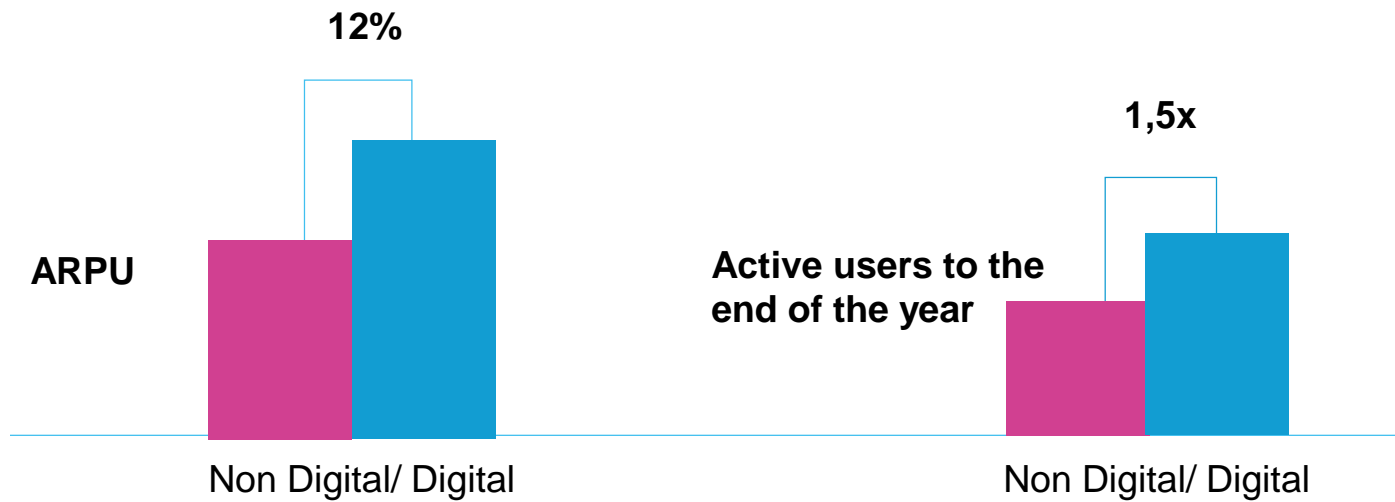


Internet usage with different devices

Online purchases with a phone amounted to 25% already



DIGITAL CUSTOMERS HAVE THE HIGHEST ARPU AND LOWEST CHURN



Those customers who purchased SIM card online make a more conscious choice which leads to a higher ARPU and longer Life Time

Key points

1. Active data users with LTE smartphones are the key driver of mobile operators revenue in the near future
2. More customers are using digital interfaces for purchases and communications with the operator
3. A deep understanding of the client, his needs and preferences is the key to success of business growth