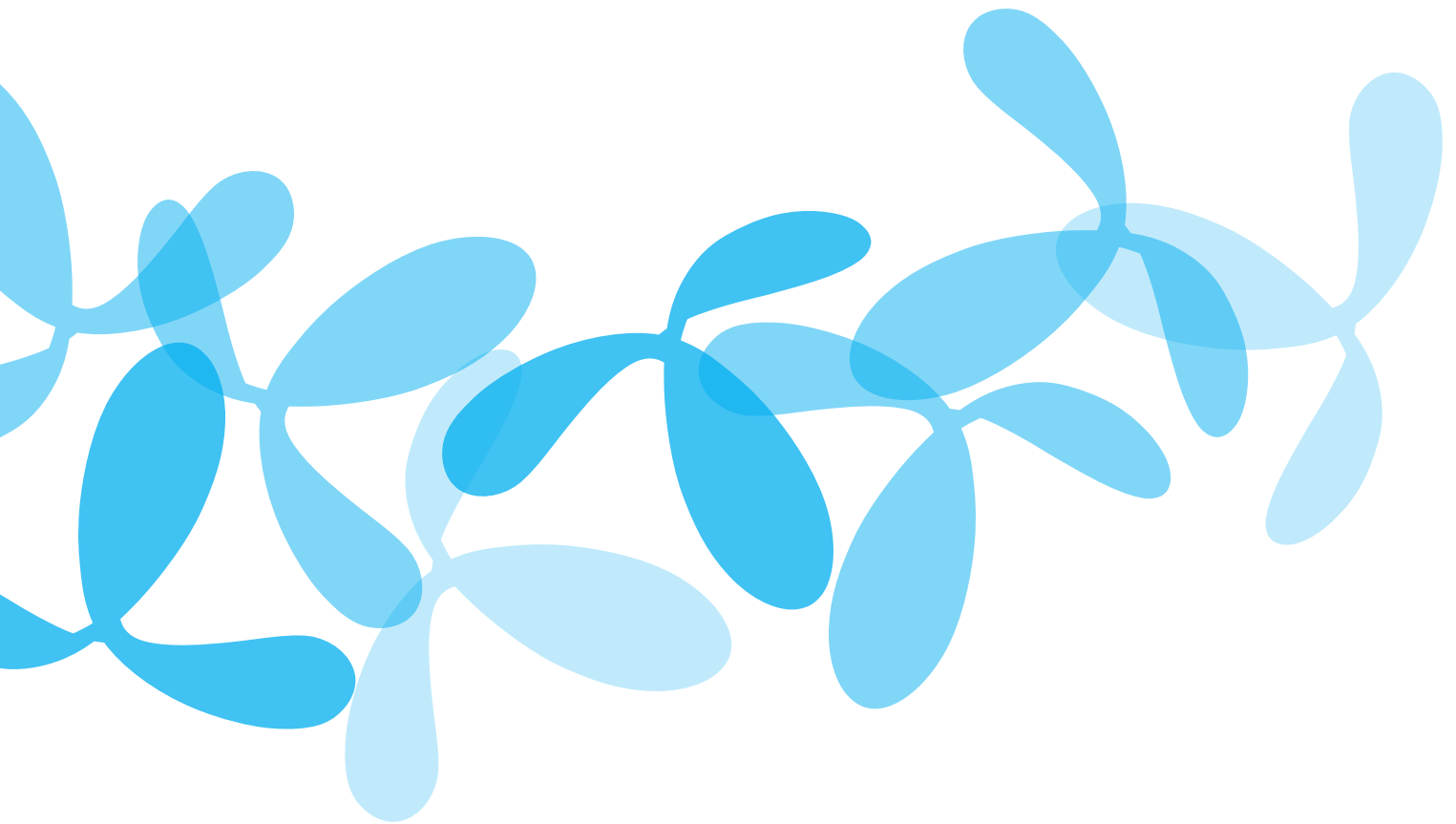




Q1 2011

Interim report
January–March 2011



Contents

Highlights /01/

Interim report /02/

Telenor's operations /02/

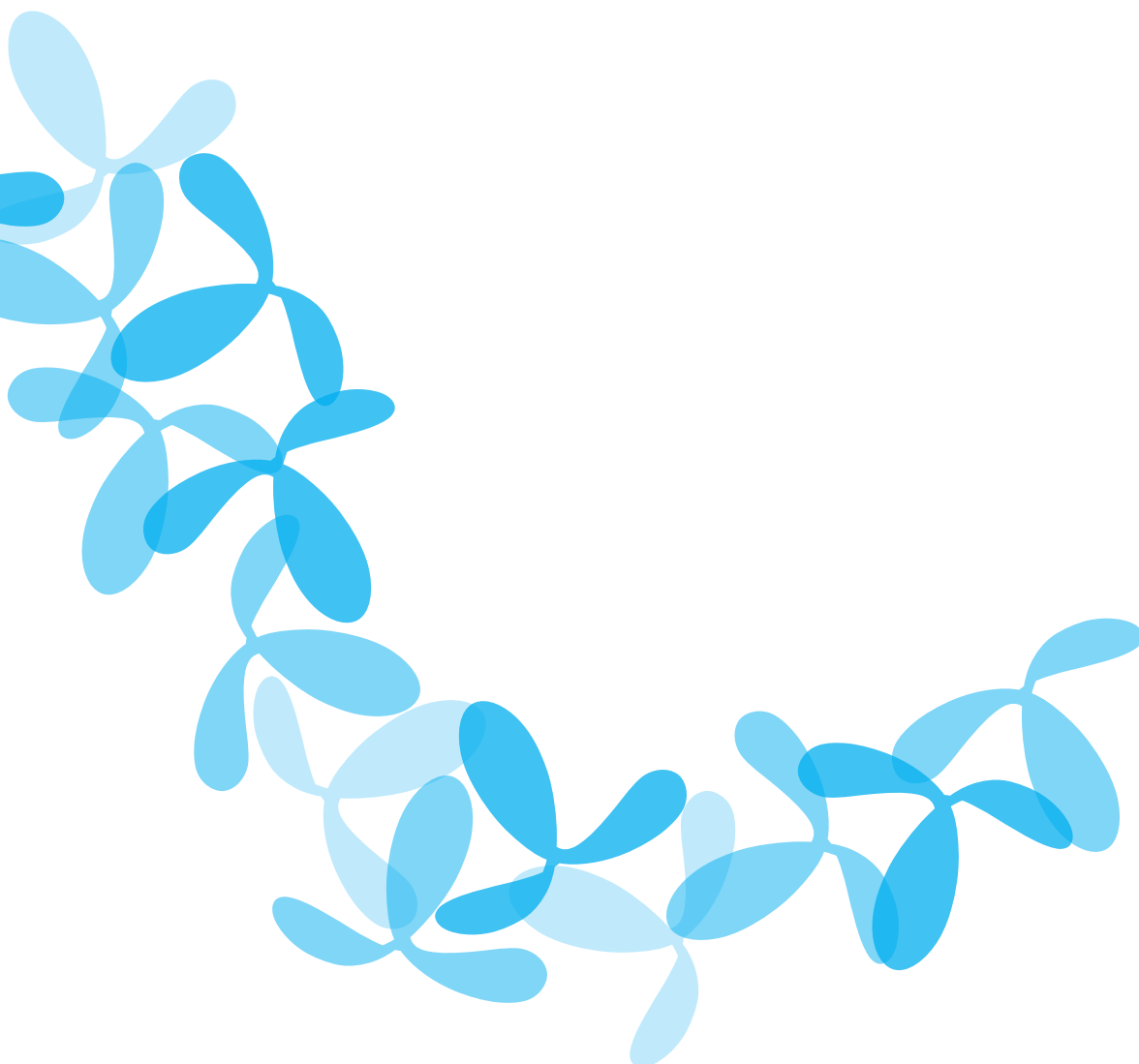
Group overview /08/

Outlook for 2010 /10/

Condensed interim financial information /11/

Notes to the consolidated interim financial statements /15/

Definitions /16/





Growth and modernisation

Highlights first quarter 2011

- Organic revenue growth of 7%¹⁾
- EBITDA margin of 31%
- Operating cash flow of NOK 5 billion²⁾
- Earnings per share of NOK 1.71

Jon Fredrik Baksaas
Jon Fredrik Baksaas
President & CEO

“The Telenor Group started 2011 with 7% organic revenue growth and healthy margins. We achieved an operating cash flow of NOK 5 billion, while most of the operations are going through significant network modernisation. Our mobile operations are continuing the strong subscriber growth seen in the last part of 2010, adding 9 million subscribers during the first quarter this year.

In the Nordic region, mobile voice usage is fairly stable while data continues to grow. In Norway and Denmark, there is increased price competition and comprehensive measures on cost reductions are required. The network modernisation programmes in all three markets will significantly reduce network operations cost. Telenor Sweden acquired 800 MHz spectrum which will contribute to an efficient 4G network. Throughout the Nordics, we are launching a number of new service offerings that will strengthen our market position and enhance user experience.

In Central and Eastern Europe, Telenor Serbia confirmed the positive momentum with strong growth and improved margins while Telenor Hungary maintained stable underlying margins. On 15 April, VimpelCom

completed the Wind Telecom transaction following the approval by a special shareholder meeting. Telenor opposed the transaction, but we will continue to work in the best interest of VimpelCom. In parallel, we have initiated arbitration proceedings to secure Telenor's shareholder rights.

The Asian operations were the main contributors to subscriber and revenue growth. Uninor in India continued the trend from second half of 2010, with subscriber growth of 5.2 million, reaching 17.4 million. Indian authorities continue their investigations of the 2G licence award process that took place early 2008, prior to Telenor's entry to Uninor. Telenor welcomes an early clarity on these issues. The four other Asian operations achieved 13% organic revenue growth in the quarter. Smartphone demand and data usage in Malaysia and Thailand continues the strong momentum. Customer growth in Grameenphone continued at high level and contributed to 21% revenue growth. With 26% cash flow margin we are on track to deliver good returns in Pakistan.

Based on the results and trends in the first quarter, we maintain our outlook for 2011.”

Key figures Telenor Group

(NOK in millions except earnings per share)	First quarter		Year
	2011	2010	2010
Revenues	24 092	22 339	94 843
EBITDA before other income and expenses	7 359	7 151	29 220
EBITDA before other income and expenses/Revenues (%)	30.5	32.0	30.8
Adjusted operating profit	3 654	3 193	13 086
Adjusted operating profit/Revenues (%)	15.2	14.3	13.8
Profit after taxes and non-controlling interests ³⁾	2 793	1 038	14 333
Earnings per share from total operations, basic, in NOK	1.71	0.63	8.69
Capex ⁴⁾	2 610	2 383	11 688
Capex excl. licences and spectrum	2 403	2 383	11 355
Capex excl. licences and spectrum/Revenues (%)	10.0	10.7	12.0
Operating cash flow ²⁾	4 956	4 768	17 865
Net interest-bearing liabilities	15 088	21 252	19 276

Extract from outlook for 2011

Based on the current group structure including Uninor and currency rates as of 31 March 2011, Telenor expects organic revenue¹⁾ growth above 5%. The EBITDA margin before other income and expenses is expected to be around 31%, while capital expenditure as a proportion of revenues, excluding licences and spectrum, is expected to be in the range of 12–13%.

Please refer to page 10 for the full outlook for 2011, and page 16 for definitions.

¹⁾ Organic revenue is defined as revenue adjusted for the effects of acquisition and disposal of operations and currency effects.

²⁾ Operating cash flow is defined as EBITDA before other income and expenses – Capex, excluding licences and spectrum.

³⁾ 'Profit after tax and non-controlling interests': As of the first quarter 2010, figures for OJSC VimpelCom and Kyivstar were included with a one quarter lag.

⁴⁾ Capex is defined as capital expenditures from continuing operations.

Interim report

Telenor's operations

The statements below are related to Telenor's development in the first quarter of 2011 compared to the first quarter of 2010, unless otherwise stated. All comments on EBITDA are made on development in EBITDA before other income and expenses (other items). Please refer to page 8 for 'Specification of other income and expenses'. Additional information is available at: www.telenor.com/ir



Nordic

Norway

(NOK in millions)	First quarter		Year
	2011	2010	2010
Revenues mobile operation			
Subscription and traffic	2 400	2 395	9 743
Interconnect revenues	256	337	1 389
Other mobile revenues	311	367	1 426
Non-mobile revenues	232	253	997
Total revenues mobile operation	3 200	3 352	13 556
Revenues fixed operation			
Telephony	902	1 038	3 952
Internet and TV	1 169	1 144	4 662
Data services	136	148	578
Other fixed revenues	313	362	1 332
Total retail revenues	2 520	2 692	10 524
Wholesale revenues	957	922	3 967
Total revenues fixed operation	3 477	3 614	14 491
Total revenues	6 677	6 966	28 047
EBITDA before other items	2 629	2 827	11 035
Operating profit	1 849	1 821	7 022
EBITDA before other items/Total revenues (%)	39.4	40.6	39.3
Capex	852	580	3 223
Investments in businesses	18	-	28
Mobile ARPU – monthly (NOK)	290	305	306
Fixed Telephony ARPU	275	291	288
Fixed Internet ARPU	313	314	316
TV ARPU	230	225	231
No. of subscriptions (in thousands):			
Mobile	3 046	3 001	3 064
Fixed telephony	1 082	1 175	1 107
Internet	870	857	867
TV	502	480	488

As of 1 January 2011, Canal Digital's Norwegian cable TV business was moved from Broadcast to Telenor Norway. The portal ABC Startsiden AS was moved from Telenor Norway to Broadcast. Historical figures have been restated accordingly. Please see note 3 for details.

- The number of total mobile subscriptions decreased by 18,000 during the quarter as a result of the high SIM-only competition in the consumer segment. The number of large screen mobile broadband subscriptions increased by 17,000 to 325,000.
- Mobile ARPU decreased by 5% due to the reduction in interconnect rates and roaming charges.
- Total revenues decreased by 4%.
- Mobile revenues fell by 5% mainly due to lower ARPU and reduced handset sales.
- Fixed revenues decreased by 4%. Reduced telephony, data and contractor revenues were partly offset by increased broadband and international wholesale revenues. Internet and TV revenues increased by 2% following a positive ARPU and increased number of subscriptions.
- The EBITDA margin decreased by 1 percentage point.
- Capital expenditure increased due to the ongoing network modernisation and increases in network capacity.

Sweden

(NOK in millions)	First quarter		Year
	2011	2010	2010
Revenues mobile operation			
Subscription and traffic	1 279	1 087	4 678
Interconnect revenues	185	182	743
Other mobile revenues	75	85	378
Non-mobile revenues	275	232	1 146
Total revenues mobile operation	1 814	1 587	6 945
Revenues fixed operation	629	641	2 552
Total revenues	2 443	2 228	9 497

EBITDA before other items	645	549	2 266
Operating profit (loss)	189	26	137

EBITDA before other items/Total revenues (%)	26.4	24.7	23.9
Capex	489	205	1 005

Mobile ARPU – monthly (NOK)	237	214	224
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No. of subscriptions (in thousands):

Mobile	2 074	1 978	2 061
Fixed telephony	376	412	382
Fixed Internet	530	566	535

Exchange rate	0.8827	0.8148	0.8402
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- The total number of mobile subscriptions increased by 13,000 during the quarter. The growth was driven by strong development in the business segment, in both voice subscriptions and mobile broadband. The number of large screen mobile broadband subscriptions increased by 13,000 to 357,000.
- The number of fixed broadband subscriptions decreased by 5,000 during the quarter.
- Mobile ARPU in local currency increased by 2% due to higher revenues from data and subscription fees, partly offset by lower interconnect rates
- Total revenues in local currency increased by 1%.
- Total mobile revenues in local currency increased by 6%. Revenues from subscriptions and traffic increased by 9% in local currency driven by increased ARPU and a higher subscription base.
- Fixed revenues in local currency decreased by 9% driven by the reduction in number of telephony and broadband subscriptions combined with lower telephony ARPU.
- The EBITDA margin increased by 2 percentage points mainly as a result of increased mobile revenues and lower operating expenses. EBITDA in local currency increased by 8%.
- On 4 March 2011, Net4Mobility (the infrastructure joint venture between Telenor Sweden and Tele2 Sweden) acquired 2x10 MHz spectrum in the 800-MHz band. The spectrum will be used for 4G deployment.
- Capital expenditure for Telenor's share of the 800 MHz licence was NOK 207 million. Other capital expenditure was mainly related to the ongoing network modernisation and 4G roll-out.

Denmark

(NOK in millions)	First quarter		Year
	2011	2010	2010
Revenues mobile operation			
Subscription and traffic	884	930	3 813
Interconnect revenues	253	330	1 186
Other mobile revenues	161	81	427
Non-mobile revenues	176	131	592
Total revenues mobile operation	1 473	1 472	6 017
Revenues fixed operation	276	343	1 257
Total revenues	1 749	1 815	7 274

EBITDA before other items	429	445	1 758
Operating profit	199	170	669

EBITDA before other items/Total revenues (%)	24.5	24.5	24.2
Capex	199	194	1 119

Mobile ARPU – monthly (NOK)	189	205	200
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No. of subscriptions (in thousands):

Mobile	1 981	2 075	2 014
Fixed telephony	215	266	223
Fixed Internet	236	256	240

Exchange rate	1.0495	1.0886	1.0751
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- The total number of mobile subscriptions decreased by 33,000 during the quarter, mainly driven by continued competition in the SIM-only segment.
- The number of large screen mobile broadband subscriptions was stable at 166,000. Fixed broadband subscriptions decreased by 4,000 to 236,000.
- Mobile ARPU in local currency decreased by 4% due to price pressure and lower interconnect rates.
- Total revenues in local currency were stable. Mobile revenues increased by 4% driven by higher wholesale revenues.
- Fixed revenues decreased by 16% driven by the continued decline in the fixed telephony subscription base and price pressure in the fixed broadband market.
- Capital expenditure in local currency was 6% higher than last year following the ongoing network modernisation.

Central and Eastern Europe

Hungary

(NOK in millions)	First quarter		Year
	2011	2010	2010
Revenues			
Subscription and traffic	806	895	3 554
Interconnect revenues	193	230	933
Other mobile revenues	25	21	103
Non-mobile revenues	54	39	217
Total revenues	1 078	1 185	4 806
EBITDA before other items	377	499	1 755
Operating profit	178	292	927
EBITDA before other items/Total revenues (%)	35.0	42.1	36.5
Capex	61	54	264
No. of subscriptions (in thousands):	3 393	3 465	3 433
ARPU – monthly (NOK)	97	107	109
Exchange rate	0.0287	0.0302	0.0291

- The total number of subscriptions decreased by 40,000 during the quarter, as churn in prepaid more than offset growth in contract subscriptions. The number of large screen mobile broadband subscriptions increased by 4,000 to 178,000.
- ARPU in local currency decreased by 5% of which the reduction in interconnect rates accounted for 2 percentage points.
- Total revenues in local currency decreased by 4% mainly as a result of reduced ARPU and a lower subscriber base, only partly compensated by increased handset sales.
- EBITDA in the quarter was negatively impacted by NOK 64 million related to the crisis tax levied upon the telecommunication industry for the years 2010 to 2012.
- Adjusted for the telecommunication tax, the EBITDA margin was 41%. Lower revenues and increased sales and marketing costs were nearly offset by lower interconnect costs, reduced personnel costs and reduced bad debt.
- Capital expenditure in local currency increased following the ongoing network modernisation.
- Operating profit was affected by NOK 56 million in increased depreciation related to the network modernisation.

Serbia

(NOK in millions)	First quarter		Year
	2011	2010	2010
Revenues			
Subscription and traffic	460	434	1 822
Interconnect revenues	132	123	536
Other mobile revenues	36	22	149
Non-mobile revenues	29	27	131
Total revenues	657	606	2 638
EBITDA before other items	278	230	1 053
Operating profit	145	44	421
EBITDA before other items/Total revenues (%)	42.3	38.0	39.9
Capex	89	34	259
No. of subscriptions (in thousands):	3 059	2 889	3 007
ARPU – monthly (NOK)	65	65	68
Exchange rate	0.0753	0.0820	0.0777

- The number of subscriptions increased by 52,000 to 3,059 million.
- ARPU in local currency increased by 9% due to higher subscription fees and higher usage.
- Revenues in local currency increased by 18%, following higher ARPU and a higher subscription base, as well as increased interconnect and higher inbound roaming revenues.
- The EBITDA margin improved by 4 percentage points, due to a general reduction of operating expenses. EBITDA in local currency increased by 32%.
- Capital expenditure increased significantly following the ongoing network modernisation.

Montenegro

(NOK in millions)	First quarter		Year
	2011	2010	2010
Revenues	133	136	644
EBITDA before other items	50	51	287
Operating profit	36	(6)	160
EBITDA before other items/Total revenues (%)	37.3	38.0	44.6
Capex	15	12	24
No. of subscriptions (in thousands):	423	432	468
Exchange rate	7.8236	8.1019	8.0068

- The number of subscriptions fell by 45,000 mainly due to seasonal churn.
- ARPU in local currency increased by 5% mainly due to increased usage in prepaid segment.
- Revenues in local currency increased by 2% mainly driven by higher subscription fees and inbound roaming revenues partly offset by lower interconnect revenues.
- EBITDA margin decreased by 1 percentage point to 37%.
- Capital expenditure was mainly related to service platform replacement.

Asia**DTAC – Thailand**

(NOK in millions)	First quarter		Year
	2011	2010	2010
Revenues			
Subscription and traffic	2 549	2 288	9 869
Interconnect revenues	765	632	2 975
Other mobile revenues	83	113	368
Non-mobile revenues	295	112	636
Total revenues	3 692	3 144	13 848
EBITDA before other items	1 351	1 075	4 820
Operating profit	966	682	3 177
EBITDA before other items/Total revenues (%)	36.6	34.2	34.8
Capex	62	116	797
No. of subscriptions (in thousands):	22 345	20 288	21 620
ARPU – monthly (NOK)	50	48	52
Exchange rate	0.1874	0.1783	0.1910

At the end of the first quarter of 2011, Telenor's economic stake in DTAC was 65.5%.

- The number of subscriptions increased by 725,000 during the quarter.
- ARPU in local currency decreased by 4% due to the dilution effect from subscription growth in low-ARPU segments partly offset by growth in value added services.
- Total revenues in local currency increased by 12%, driven by an enlarged subscription base, handset sales and higher interconnect revenues.
- The EBITDA margin increased by 2 percentage points from higher revenues, improved interconnect balance and reduced energy cost. EBITDA in local currency increased by 20%.
- Capital expenditure was low in the quarter in anticipation of the upcoming network modernisation and other major network investments.

DiGi – Malaysia

(NOK in millions)	First quarter		Year
	2011	2010	2010
Revenues			
Subscription and traffic	2 285	1 967	8 801
Interconnect revenues	185	218	847
Other mobile revenues	29	30	134
Non-mobile revenues	187	31	386
Total revenues	2 687	2 245	10 167
EBITDA before other items	1 220	999	4 500
Operating profit	836	661	3 023
EBITDA before other items/Total revenues (%)	45.4	44.5	44.3
Capex	154	147	1 355
No. of subscriptions (in thousands):	8 843	7 947	8 765
ARPU – monthly (NOK)	94	93	98
Exchange rate	1.8782	1.7402	1.8806

At the end of the first quarter of 2011, Telenor's ownership interest in DiGi was 49.0%.

- The number of subscriptions increased by 78,000 during the quarter.
- ARPU in local currency decreased by 6%, primarily due to price pressure in the prepaid segment and reduced interconnect rates.
- Total revenues in local currency increased by 11%, driven by increased data usage and higher sales of handset bundles.
- The EBITDA margin increased by 1 percentage point, due to revenue growth as well as a slight decrease in opex from the ongoing operational excellence initiatives. EBITDA in local currency increased by 13%.
- Capital expenditure was low and primarily related to improved 3G capacity and coverage.

Grameenphone – Bangladesh

(NOK in millions)	First quarter		Year
	2011	2010	2010
Revenues			
Subscription and traffic	1 443	1 293	5 691
Interconnect revenues	160	137	644
Other mobile revenues	6	4	19
Non-mobile revenues	51	9	139
Total revenues	1 659	1 443	6 492
EBITDA before other items	791	798	3 212
Operating profit	471	454	1 763
EBITDA before other items/Total revenues (%)	47.7	55.3	49.5
Capex	165	98	734
No. of subscriptions (in thousands):	31 983	23 904	29 971
ARPU – monthly (NOK)	17	20	20
Exchange rate	0.0802	0.0846	0.0868

At the end of the first quarter of 2011, Telenor's ownership interest in Grameenphone was 55.8%.

- The number of subscriptions increased by 2 million during the quarter.
- ARPU in local currency decreased by 10% due to a dilution effect of subscriber growth in low-ARPU segments.
- Revenues in local currency increased by 21% driven by a higher subscription base and handset sales partly offset by the reduced ARPU. The EBITDA margin decreased by 8 percentage points due to higher subscription acquisition cost related to SIM tax subsidies, advertising cost and revenue related commissions. Still, due to the strong revenue growth, EBITDA increased by 5% in local currency.
- Capital expenditure increased following the ongoing network modernisation.

Pakistan

(NOK in millions)	First quarter		Year
	2011	2010	2010
Revenues			
Subscription and traffic	945	869	3 697
Interconnect revenues	180	167	718
Other mobile revenues	4	4	23
Non-mobile revenues	49	35	215
Total revenues	1 179	1 074	4 653
EBITDA before other items	393	298	1 382
Operating profit (loss)	88	(9)	2
EBITDA before other items/Total revenues (%)	33.3	27.7	29.7
Capex	90	120	617
No. of subscriptions (in thousands):	25 753	23 279	24 692
ARPU – monthly (NOK)	15	15	16
Exchange rate	0.0669	0.0693	0.0709

- The number of subscriptions increased by 1 million during the quarter.
- ARPU in local currency increased by 2% as the increase in average usage more than offset lower average prices.
- Total revenues increased by 14%, mainly due to the larger subscription base. In addition, revenues from tower sharing and financial services contributed to the total revenue growth.
- The EBITDA margin increased by 6 percentage points, as revenues increased and costs related to leased lines declined.
- Capital expenditure continued to be focused on network capacity investments to align with subscription growth and traffic volumes.

Uninor – India

(NOK in millions)	First quarter		Year
	2011	2010	2010
Revenues	548	56	773
EBITDA before other items	(1 019)	(974)	(4 246)
Operating profit (loss)	(1 246)	(1 113)	(5 044)
Capex	320	712	1 624
No. of subscriptions (in thousands):	17 439	2 155	12 255
ARPU – monthly (NOK)	12	10	13
Exchange rate	0.1264	0.1277	0.1322

^{*)} Please note that the definition for active subscriptions in Uninor is more conservative than the Group definition on page 16, due to high churn following the prevailing multi-SIM standard in the Indian market. In Uninor, subscriptions are counted as active if there has been activity during the last 30 days.

At the end of the first quarter of 2011, Telenor's ownership interest in Uninor was 67.25%.

- The number of subscriptions increased by 5.2 million during the quarter, taking the total subscriber base to 17.4 million.
- ARPU in local currency was relatively stable from previous quarter.
- Total revenues increased by 43% in the quarter due to growth in the subscriber base.
- Total EBITDA loss for the quarter was in line with last quarter. In the fourth quarter of 2010, there was a positive effect from adjustments of energy cost. Also first quarter of 2011 was somewhat positively affected by adjustments in accruals.
- Capital expenditure was significantly lower than in the first quarter last year, and was related to roll-out of new towers in the thirteen circles where Uninor has launched services.

Broadcast

(NOK in millions)	First quarter		Year
	2011	2010	2010
Revenues			
Canal Digital DTH	1 050	1 045	4 216
Satellite Broadcasting	239	259	1 082
Norkring	237	196	826
Conax	128	131	528
Other/Eliminations	115	89	387
Total revenues	1 770	1 721	7 040
EBITDA before other items			
Canal Digital DTH	106	98	389
Satellite Broadcasting	162	180	758
Norkring	117	86	372
Conax	48	50	202
Other/Eliminations	11	(14)	(44)
Total EBITDA before other items	445	400	1 678
Operating profit			
Canal Digital DTH	93	90	354
Satellite Broadcasting	103	108	487
Norkring	63	35	156
Conax	37	37	154
Other/Eliminations	(4)	(33)	(193)
Total operating profit	291	237	957
EBITDA before other items/Total revenues (%)	25.1	23.2	23.8
Capex	59	76	423
Investments in businesses	-	-	1 132
No. of subscribers (in thousands):			
DTH TV	986	1 054	997
Cable TV	231	242	233
Cable TV Internet access	23	23	23

As of 1 January 2011, Canal Digital's Norwegian cable TV business was moved from Broadcast to Telenor Norway. The portal ABC Startside AS was moved from Telenor Norway to Broadcast. Historical figures have been restated accordingly. Please see note 3 for details.

- Total revenues increased by 3%.
- Total EBITDA increased by 11% and the EBITDA margin increased by 2 percentage points.
- Revenues in Canal Digital DTH was in line with the first quarter of 2010 as the effect of price increases and currency effects was offset by reduced subscriber base and lower sale of hardware.
- EBITDA in Canal Digital DTH increased as reduced transmission cost more than offset higher satellite capacity usage, increased sales and marketing cost and other operating cost.
- Revenues and EBITDA in Satellite Broadcasting decreased as revenues from the CEE region was more than offset by reduced revenues from the Nordic region.
- Revenues and EBITDA in Norkring increased due to new terrestrial transmission contracts in Norway and Belgium.
- EBITDA in Conax was in line with the first quarter of 2010 as increased volume of smart cards was offset by reduced prices, and a higher share of cards delivered as a part of service contracts.
- Capital expenditure decreased primarily due to lower investments in terrestrial transmission networks in Norkring.

Other units

(NOK in millions)	First quarter		Year
	2011	2010	2010
Revenues			
New Business	47	41	200
Corporate functions and Group activities	567	599	2 486
Other/eliminations	30	169	495
Total revenues	644	809	3 181
EBITDA before other items			
New Business	(13)	(27)	(31)
Corporate functions and Group activities	(182)	(109)	(442)
Other/eliminations	(33)	95	211
Total EBITDA before other items	(228)	(41)	(263)
Operating profit (loss)			
New Business	(23)	(34)	(63)
Corporate functions and Group activities	(271)	(212)	(854)
Other/eliminations	(27)	91	194
Total operating profit (loss)	(321)	(155)	(723)
Capex from continuing operations	54	37	253
Capex from discontinued operations	-	85	258
Investments in businesses	4	13	47

- EBITDA in Corporate Functions decreased as a result of reduced invoiced service cost and increased corporate activities.
- EDB Business Partner ASA was reclassified to discontinued operations in the third quarter of 2010. EBITDA for the first quarter of 2010 included a positive EBITDA of NOK 130 million related to EDB Business Partner ASA, which explains the negative EBITDA development within the Other/eliminations line above.

Group overview

The statements below are related to Telenor's development in 2011 compared to 2010 unless otherwise stated.

Revenues

- Revenues increased by NOK 1.8 billion, or 7.8% driven by the continued strong subscription growth in our Asian operations in addition to a positive currency effect of NOK 255 million.

EBITDA before other items

- EBITDA increased by NOK 0.2 billion compared to last year as the improved performance in the established operations in Asia more than offset weaker results in Norway, Hungary and Other Units. In addition, EBITDA was positively affected by NOK 79 million due to currency effects.

Specification of other income and expenses

(NOK in millions)	First quarter		Year
	2011	2010	2010
EBITDA before other income and expenses	7 359	7 151	29 220
EBITDA margin before other income and expenses (%)	30.5	32.0	30.8
Gains (losses) on disposal of fixed assets and operations	144	(6)	(125)
Workforce reductions and loss contracts	(119)	(79)	(401)
One-time effects to pension costs	17	-	(46)
EBITDA	7 401	7 065	28 648
EBITDA margin (%)	30.7	31.6	30.2

- In the first quarter of 2011 'Other income and expenses' mainly consisted of the following items:
 - Due to restructuring of Telehuset, Telenor Norway has recognised cost related to workforce reductions and loss contracts of NOK 97 million this quarter. One-time effects to pension cost is related to this restructuring. In addition, workforce reductions include downsizing in Telenor Denmark and Telenor ASA.
 - Gains on disposals of fixed assets and operations include settlement with a vendor and gain from sale of Telehuset stores to the associated company Kjedehuset, both in Telenor Norway and sale of real estate in Telenor Eiendom.

Operating profit

Operating profit increased by NOK 589 million compared to last year mainly due to increased EBITDA as explained above, and decreased depreciations in some operations.

Associated companies

(NOK in millions)	First quarter		Year
	2011	2010	2010
Telenors share of			
Profit after taxes	1 154	(93)	3 424
Amortisation of Telenor's net excess values	(53)	-	(279)
Gains (losses) on disposal of ownership interests	(1)	-	6 549
Profit (loss) from associated companies	1 100	(93)	9 694

- Telenor's share of the net result from VimpelCom Ltd. for the fourth quarter of 2010 was NOK 1.1 billion. This is included in Telenor's income statement for the first quarter of 2011. Actual reported figures for VimpelCom Ltd. are included with a one quarter time lag. From the first quarter of 2010, Telenor started to include actual reported figures for OJSC VimpelCom and Kyivstar with a one quarter lag, hence no figures for these companies were included in Telenor's income statement for the first quarter of 2010.

Financial items

(NOK in millions)	First quarter		Year
	2011	2010	2010
Financial income	198	126	765
Financial expenses	(488)	(451)	(1 825)
Net currency gains (losses)	35	(555)	(649)
Net change in fair value of financial instruments	(126)	(9)	(370)
Net gains (losses and impairment) of financial assets and liabilities	1	30	90
Net financial income (expenses)	(380)	(859)	(1 989)
Gross interest expenses	(457)	(419)	(1 706)
Net interest expenses	(279)	(319)	(1 228)

- The change in fair value of financial instruments in the first quarter of 2011 was primarily related to derivatives used for economic hedges that do not fulfil the requirements for hedge accounting.
- The net currency gains in the first quarter of 2011 were primarily related to financial liabilities in other currencies than functional currencies.

Taxes

- The estimated effective tax rate for the first quarter of 2011 was 32%. The effective tax rate for the quarter decreased compared to last year, mainly due to the exclusion of Telenor's share of profits from the associated companies OJSC VimpelCom and Kyivstar in the first quarter of 2010.
- The effective tax rate for 2011 is estimated to be around 30%, excluding an accounting gain expected from VimpelCom Ltd.'s acquisition of Wind Telecom.

Investments

(NOK in millions)	First quarter		Year
	2011	2010	2010
Capex	2 610	2 468	11 946
Capex from continuing operations	2 610	2 383	11 688
Capex excl. licences and spectrum	2 403	2 383	11 355
Capex excl. licences and spectrum/Revenues (%)	10.0	10.7	12.0

- Capital expenditure in continuing operations (excl. licences) increased by NOK 20 million as the network investments in Nordic and CEE more than offset the reduced investments in Uninor.

Financial position

- Total assets increased by NOK 0.4 billion to NOK 173 billion, primarily due to strong cash flow during the quarter increasing cash and cash equivalents and short term investments. The increase was partially offset by decrease in total assets due to appreciation of NOK against Asian currencies and US dollar.
- Total liabilities decreased by NOK 0.4 billion to NOK 76 billion mainly due to appreciation of NOK against Asian currencies and US dollar. The decrease was partially offset by short term debt raised by Uninor.
- Net interest-bearing liabilities decreased by NOK 4.2 billion to NOK 15.1 billion mainly due to increase in cash and cash equivalent during the quarter and increased short term investments.
- Total comprehensive income, mainly consisting of net income and the reducing effect from translation differences, increased equity by NOK 1 billion, and were partially offset by other equity adjustments amounting to NOK 0.2 billion. Total equity increased by NOK 0.8 billion to NOK 97 billion.

Cash flow

- Net cash inflow from operating activities during the first quarter of 2011 was NOK 7.4 billion, a decrease of NOK 1.4 billion compared to the first quarter of 2010. This is to a large extent explained by changes in working capital. Working capital was improved although less than first quarter of 2010.
- Net cash outflow to investing activities during the first quarter of 2011 was NOK 6.6 billion which is an increase of NOK 2.5 billion compared to the first quarter of 2010. Capital expenditure payments were lower by NOK 0.8 billion mainly due to lower capital expenditure payments in Uninor. Total increase in total net cash flow to investing activities is explained by NOK 3.5 billion investments in bank and Norwegian government bonds with maturities 3 to 12 months.
- Net cash inflow from financing activities during the first quarter of 2011 was NOK 1.4 billion, an increase of NOK 1.6 billion compared to the first quarter of 2010. The increase mainly relates to proceeds from borrowings in Uninor.
- Cash and cash equivalent increased by NOK 1.6 billion to NOK 15.2 billion as of 31 March 2011.

Transactions with related parties

For detailed information on related party transactions refer to Note 34 in Telenor's Annual Report 2010. In addition to transactions described in the Annual Report the following new significant related party transactions occurred in 2011:

- In the first quarter of 2011, Telenor received interim dividends for 2010 of NOK 0.5 billion from VimpelCom Ltd.

Outlook for 2011

Based on the current group structure including Uninor and currency rates as of 31 March 2011 Telenor expects:

- Organic revenue growth above 5%.
- EBITDA margin before other income and expenses around 31%.
- Capital expenditure as a proportion of revenues, excluding licences and spectrum, in the range of 12–13%.

Telenor expects that Uninor will contribute with an EBITDA loss around NOK 4 billion and capital expenditure in the range of NOK 1.0–1.5 billion.

Risks and uncertainties

The existing risks and uncertainties described below are expected to remain for the next three months.

A growing share of Telenor's revenues and profits is derived from operations outside Norway. Currency fluctuations may influence the reported figures in Norwegian Kroner to an increasing extent. Political risk, including regulatory conditions, may also influence the results.

For additional explanations regarding risks and uncertainties, please refer to the Report of the Board of Directors for 2010, section Risk Factors and Risk Management, and Telenor's Annual Report 2010 Note 30 Managing Capital and Financial Risk Management and Note 35 Commitments and Contingencies. Readers are also referred to the disclaimer at the end of this section.

New aspects of risks and uncertainties since the publication of Telenor's Annual Report for 2010 are:

Financial aspects

Telenor's exposure to exchange rates has decreased due to additional borrowings in SEK being designated as hedging of net investments.

At 31 March 2011, Uninor had NOK 6.6 billion in current interest-bearing borrowings, all with financial guarantees from Telenor ASA. This is an increase of NOK 2 billion since 31 December 2010.

Disclaimer

This report contains statements regarding the future in connection with Telenor's growth initiatives, profit figures, outlook, strategies and objectives. In particular, the section 'Outlook for 2011' contains forward-looking statements regarding the Group's expectations. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements.

Fornebu, 3 May 2011

The Board of Directors of Telenor ASA

Condensed Interim Financial Information

Consolidated Income Statement

Telenor Group

(NOK in millions except earnings per share)	First quarter		Year
	2011	2010	2010
Revenues	24 092	22 339	94 843
Costs of materials and traffic charges	(6 714)	(6 037)	(26 239)
Salaries and personnel costs	(2 814)	(2 727)	(10 852)
Other operating expenses	(7 204)	(6 424)	(28 532)
Other income and (expenses)	42	(85)	(572)
EBITDA	7 401	7 065	28 648
Depreciation and amortisation	(3 705)	(3 958)	(16 134)
Impairment losses	-	-	(14)
Operating profit	3 696	3 107	12 500
Share of net income from associated companies	1 100	(93)	3 145
Gain (loss) on disposal of associated companies	(1)	-	6 549
Net financial items	(380)	(859)	(1 989)
Profit before taxes	4 416	2 155	20 205
Taxes	(1 412)	(885)	(4 982)
Profit from continuing operations	3 003	1 270	15 223
Profit (loss) from discontinued operations	-	(121)	(415)
Net income	3 003	1 149	14 808

Net income attributable to:

Non-controlling interests (Minority interests)	210	112	475
Equity holders of Telenor ASA	2 793	1 038	14 334

Earnings per share in NOK

From continuing operations:

Basic	1.71	0.70	8.94
Diluted	1.71	0.70	8.93

From total operations:

Basic	1.71	0.63	8.69
Diluted	1.71	0.63	8.67

The interim financial information has not been subject to audit or review.

Consolidated statement of comprehensive income

Telenor Group

(NOK in millions)	First quarter		Year
	2011	2010	2010
Net income	3 003	1 149	14 808
Translation differences on net investment in foreign operations	(1 954)	1 916	1 665
Income taxes	80	(15)	70
Amount reclassified from equity to profit and loss on disposal	(1)	-	3 528
Net gain (loss) on hedge of net investment	65	424	606
Income taxes	(18)	(119)	(170)
Amount reclassified from equity to profit and loss on disposal	-	-	(36)
Income taxes	-	-	10
Net gain (loss) on available-for-sale-investment	6	17	10
Amount reclassified from equity to profit and loss	-	545	667
Income taxes	-	(153)	(188)
Share of other comprehensive income (loss) of associated companies	(175)	(192)	(675)
Other comprehensive income (loss), net of taxes	(1 997)	2 424	5 488
Total comprehensive income (loss)	1 006	3 573	20 297
Total comprehensive income (loss) attributable to:			
Non-controlling interests	(329)	633	1 242
Equity holders of Telenor ASA	1 335	2 940	19 055

The interim financial information has not been subject to audit or review.

Consolidated Statement of Financial Position

Telenor Group

	31 March	31 March	31 December
(NOK in millions)	2011	2010	2010
Deferred tax assets	1 883	1 809	2 006
Goodwill	24 541	28 785	24 472
Intangible assets	25 664	28 524	27 007
Property, plant and equipment	51 085	55 655	52 963
Associated companies	30 624	17 671	31 026
Other non-current assets	2 700	2 927	3 048
Total non-current assets	136 497	135 370	140 522
Trade receivables	7 754	8 125	8 591
Other current assets	8 811	10 259	9 066
Assets classified as held for sale	-	144	-
Other financial current assets	4 822	914	946
Cash and cash equivalents	15 207	16 439	13 606
Total current assets	36 594	35 880	32 209
Total assets	173 091	171 250	172 731
Equity attributable to equity holders of Telenor ASA	89 266	78 174	87 867
Non-controlling interests (minority interests)	7 703	10 429	8 351
Total equity	96 969	88 603	96 218
Non-current interest-bearing liabilities	25 070	35 461	25 701
Non-current non-interest-bearing liabilities	1 235	1 083	1 125
Deferred tax liabilities	2 655	4 076	2 927
Pension obligations	1 854	2 203	1 918
Other provisions	1 883	1 881	1 879
Total non-current liabilities	32 697	44 704	33 550
Current interest-bearing liabilities	10 206	3 670	8 751
Trade payables	6 049	7 284	6 039
Current non-interest-bearing liabilities	27 170	26 796	28 172
Liabilities classified as held for sale	-	193	-
Total current liabilities	43 425	37 943	42 963
Total equity and liabilities	173 091	171 250	172 731
Equity ratio including non-controlling interests (%)	56.0	51.7	55.7
Net interest-bearing liabilities	15 088	21 252	19 276

The interim financial information has not been subject to audit or review.

Consolidated Statement of Cash Flows

Telenor Group

(NOK in millions)	First quarter		Year
	2011	2010	2010
Profit before taxes from total operations	4 416	2 039	19 733
Income taxes paid	(1 459)	(611)	(5 485)
Net (gains) losses from disposals, impairments and change in fair value of financial assets and liabilities	(19)	(14)	407
Depreciation, amortisation and impairment losses	3 705	4 058	16 622
Loss (profit) from associated companies	(1 100)	93	(9 694)
Dividends received from associated companies	542	241	1 812
Currency (gains) losses not related to operating activities	32	540	550
Changes in other operating working capital assets and liabilities	1 318	2 535	2 520
Net cash flow from operating activities	7 435	8 881	26 465
Purchases of property, plant and equipment (PPE) and intangible assets	(2 926)	(3 757)	(13 422)
Purchases of subsidiaries and associated companies, net of cash acquired	(22)	(29)	(1 416)
Proceeds of PPE, intangible assets and businesses, net of cash disposed	34	54	(124)
Proceeds and purchases of other investments	(3 728)	(359)	(628)
Net cash flow from investing activities	(6 642)	(4 091)	(15 590)
Proceeds from and repayments of borrowings	1 684	184	(876)
Proceeds from issuance of shares, incl. from non-controlling interests in subsidiaries	-	-	2
Share buyback by Telenor ASA	-	(8)	(2 164)
Repayment of equity and dividends paid to non-controlling interests in subsidiaries	(329)	(380)	(2 084)
Dividends paid to equity holders of Telenor ASA	-	-	(4 141)
Net cash flow from financing activities	1 355	(204)	(9 263)
Effects of exchange rate changes on cash and cash equivalents	(547)	412	442
Net change in cash and cash equivalents	1 601	4 998	2 054
Cash and cash equivalents at the beginning of the period	13 606	11 552	11 552
Cash and cash equivalents at the end of the period ¹⁾	15 207	16 550	13 606
Of which cash and cash equivalents in discontinued operations at the end of the period	-	111	-
Cash and cash equivalents in continuing operations at the end of the period	15 207	16 439	13 606

¹⁾ The 2011 figure includes restricted cash of NOK 10 million, while the 2010 included restricted cash of NOK 134 million.

The statement includes discontinued operations prior to their disposal.

(NOK in millions)	First quarter		Year
	2011	2010	2010
Net cash flow from operating activities	-	(232)	(367)
Net cash flow from investing activities	-	(85)	(291)
Net cash flow from financing activities	-	(25)	(333)

The cash flows ascribed to discontinued operations are only cash flows from external transactions. Hence, the cash flows presented for discontinued operations do not reflect these operations as if they were stand alone entities.

The interim financial information has not been subject to audit or review.

Consolidated Statement of Changes in Equity

Telenor Group

	Attributable to equity holders of Telenor ASA					Non-controlling interests	Total equity
	Paid in capital	Other reserves	Retained earnings	Cumulative translation differences	Total		
(NOK in millions)							
Equity as of 31 December 2009	10 005	11 851	64 843	(10 723)	75 976	9 089	85 065
Net income for the period	-	-	14 334	-	14 334	767	15 101
Other comprehensive income for the period	-	(201)	-	4 923	4 722	475	5 197
Total comprehensive income for the period	-	(201)	14 334	4 923	19 055	1 242	20 297
Transactions with non-controlling interests	-	(768)	-	-	(768)	144	(625)
Equity adjustments in associated companies	-	29	-	-	29	-	29
Dividends	-	-	(4 141)	-	(4 141)	(2 115)	(6 255)
Share buy back	(149)	(2 178)	-	-	(2 326)	(9)	(2 335)
Sale of shares, share issue, and share options to employees	3	38	-	-	41	-	41
Equity as of 31 December 2010	9 859	8 771	75 036	(5 800)	87 867	8 351	96 217
Net income for the period	-	-	2 793	-	2 793	210	3 003
Other comprehensive income for the period	-	(168)	-	(1 290)	(1 458)	(539)	(1 997)
Total comprehensive income for the period	-	(168)	2 793	(1 290)	1 335	(329)	1 006
Transactions with non-controlling interests	-	-	-	-	-	1	1
Equity adjustments in associated companies	-	53	-	-	53	-	53
Dividends	-	-	-	-	-	(320)	(320)
Sale of shares, share issue, and share options to employees	7	4	-	-	11	-	11
Equity as of 31 March 2011	9 867	8 660	77 829	(7 090)	89 266	7 703	96 969

	Attributable to equity holders of the parent					Non-controlling interests	Total equity
	Paid in capital	Other reserves	Retained earnings	Cumulative translation differences	Total		
(NOK in millions)							
Equity as of 31 December 2009	10 005	11 851	64 843	(10 723)	75 976	9 089	85 065
Net income for the period	-	-	1 038	-	1 038	111	1 149
Other comprehensive income for the period	-	219	-	1 684	1 902	522	2 424
Total comprehensive income for the period	-	219	1 038	1 684	2 940	633	3 573
Transactions with non-controlling interests	-	(768)	-	-	(768)	1 084	316
Equity adjustments in associated companies	-	30	-	-	30	-	30
Dividends	-	-	-	-	-	(369)	(369)
Share buy back	-	-	-	-	-	(8)	(8)
Sale of shares, share issue, and share options to employees	1	(5)	-	-	(4)	-	(4)
Equity as of 31 March 2010	10 006	11 326	65 881	(9 039)	78 174	10 429	88 603

The interim financial information has not been subject to audit or review.

Notes to the Consolidated Interim Financial Statements

Note 1 – General accounting principles

Telenor (the Group) consists of Telenor ASA (the Company) and its subsidiaries. Telenor ASA is a limited company, incorporated in Norway. The condensed consolidated interim financial statements consist of the Group and the Group's interests in associated companies and joint ventures. As a result of rounding differences, numbers or percentages may not add up to the total.

These interim condensed consolidated financial statements for the three months ending 31 March 2011 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's Annual Report 2010.

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's Annual Financial Statements for the year ended 31 December 2010.

Standards and interpretations as mentioned in the Group's Annual Report 2010 Note 1 and effective from 1 January 2011 do not have a significant impact on the Group's consolidated interim financial statements.

Note 2 – Events after the reporting period

Vimpelcom

On 17 March 2011, the Special General Meeting of shareholders of VimpelCom Ltd. approved the issuance of new shares in connection with the Wind Telecom transaction. On April 15, VimpelCom announced the closing of the transaction that combines the two entities and consequently, Telenor's ownership interest in VimpelCom Ltd. will be diluted to 31.67% economic and 25.01% voting interest respectively.

The deemed disposal is expected to result in an accounting gain in Telenor's Financial Statement.

On 14 April 2011, VimpelCom declared final dividend of USD 0.15 per American Depository share (ADS) which correspond to approximately NOK 0.4 billion for the Telenor ownership share.

On 15 April 2011, the Wind Telecom transaction was closed. Later the same day, Altimo announced its intention to sell down to below 25% voting stake, thereby triggering the termination of the Shareholders Agreement dated 4 October 2009 between Altimo, Telenor and VimpelCom Ltd. after 6 months thereafter. No timing of such sale is announced by Altimo.

Uninor

In India, Uninor and many other telecoms operators as well as the federal government through the Department of Telecommunications and the Telecom Regulatory Authority of India have been named as respondents in public interest petitions filed before the Supreme Court. These petitions seek cancellation of the licenses granted by the government in January 2008 to such operators, an imposition or punitive damages on grounds of alleged irregularities in granting the licences, failure to meet eligibility requirements and delays in meeting roll out obligations. The petitions were being heard by the Supreme Court since 1 March 2011 in day-to-day proceedings. On 2 April, the Indian Central Bureau of Investigation presented its first charge sheet, naming the managing director of Unitech Ltd., Mr. Sanjay Chandra, and also naming Unitech Wireless for actions when it was fully owned by Unitech Ltd., prior to Telenor Group entering India.

Grameenphone

On 19 April 2011, the annual general meeting of Grameenphone Ltd. approved final dividend for 2010 of BDT 8.5 per share which correspond to approximately NOK 0.9 billion total dividend and approximately NOK 0.5 billion for the Telenor ownership share.

DTAC

On 25 April 2011, DTAC filed suits with the Central Administration Court to rule on the legality of the contracts entered into between CAT and DTAC's competitor True regarding 3G services. DTAC further requested the Court to issue an injunction until such legality has been established.

On 27 April 2011, the annual general meeting of DTAC approved final dividend for 2010 of THB 3.21 per share which correspond to approximately NOK 1.3 billion total dividend and approximately NOK 0.9 billion for the Telenor ownership share.

Note 3 – Segment table and reconciliation of EBITDA before other income and expenses

The definition of operating segments remains unchanged in the first quarter of 2011. Nevertheless there have been some structural changes in the organisation of the different segments. The Norwegian cable operation previously reported in Broadcast is reported in Telenor Norway from 1 January 2011. The portal ABC Startside is moved from Telenor Norway to Broadcast. The figures for previous periods are reclassified accordingly.

First quarter

(NOK in millions)	Total revenues			of which internal		EBITDA before other income and expenses *)			
	2011	2010	Growth	2011	2010	2011	Margin	2010	Margin
Norway	6 677	6 966	(4.2%)	161	205	2 629	39.4%	2 827	40.6%
Sweden	2 443	2 228	9.6%	27	44	645	26.4%	549	24.7%
Denmark	1 749	1 815	(3.6%)	43	53	429	24.5%	445	24.5%
Hungary	1 078	1 185	(9.0%)	6	6	377	35.0%	499	42.1%
Serbia	657	606	8.5%	31	19	278	42.3%	230	38.0%
Montenegro	133	136	(1.7%)	7	6	50	37.3%	51	38.0%
DTAC – Thailand	3 692	3 144	17.4%	7	16	1 351	36.6%	1 075	34.2%
DiGi – Malaysia	2 687	2 245	19.7%	3	3	1 220	45.4%	999	44.5%
Grameenphone – Bangladesh	1 659	1 443	15.0%	1	-	791	47.7%	798	55.3%
Pakistan	1 179	1 074	9.7%	1	3	393	33.3%	298	27.7%
Uninor – India	548	56	nm	-	-	(1 019)	nm	(974)	nm
Broadcast	1 770	1 721	2.9%	40	60	445	25.1%	400	23.2%
Other units	644	809	(20.4%)	497	673	(228)	nm	(41)	nm
Eliminations	(823)	(1 089)	-	(823)	(1 089)	(2)	-	(4)	-
Group	24 092	22 339	7.8%	-	-	7 359	30.5%	7 151	32.0%

*) The segment profit is EBITDA before other income and expenses

Definitions

- Organic revenue is defined as revenue adjusted for the effects of acquisition and disposal of operations and currency effects.
- Capital expenditure (Capex) is investments in tangible and intangible assets.
- Operating cash flow is defined as EBITDA before other income and expenses – Capex, excluding licences and spectrum.
- Investments in businesses comprise acquisitions of shares and participations, including acquisitions of subsidiaries and businesses not organised as separate companies.

Mobile operations

Revenues

Subscription and traffic

– consist of subscription and connection fees, revenues from voice, outgoing airtime, non-voice traffic, outbound roaming and other mobile service revenues. Subscription and traffic includes only revenues from the company's own subscriptions.

Interconnect

– consist of revenues from incoming traffic. Revenues from incoming traffic related to service provider subscriptions are not included.

Other mobile

– consist of inbound roaming, national roaming, telemetric and revenues related to service providers and MVNOs (Mobile Virtual Network Operators). Telemetric is defined as machine-to-machine SIM cards (M2M), for example, vending machines and meter readings.

Non-mobile

– consist of revenues from customer equipment and businesses that are not directly related to mobile operations.

Key Figures

Subscriptions

Contract subscriptions are counted until the subscription is terminated. Prepaid subscriptions are counted as active if there has been outgoing or incoming traffic or if the SIM card has been reloaded during the last three months. Service provider and MVNO subscriptions are not included. Data only SIM cards are included, but SIM cards used for telemetric applications and Twin SIM cards are excluded.

Total subscriptions are voice SIM cards plus data only SIM cards used for Mobile Broadband.

Mobile broadband subscriptions

Mobile broadband subscriptions include both data only SIM cards and voice subscriptions having a mobile broadband package as a supplementary service. Hence, the sum of voice subscriptions and mobile broadband subscriptions will exceed the total number of subscriptions.

Average traffic minutes per subscription per month (AMPU)

Traffic minutes per subscription per month are calculated based on total outgoing and incoming rated minutes from the company's own subscriptions. This includes zero rated minutes and outgoing minutes from own subscriptions while roaming. Outgoing and incoming minutes related to inbound roaming, national roaming, service providers and MVNOs are not included.

Average revenue per subscription per month (ARPU)

ARPU is calculated based on mobile revenues from the company's own subscriptions, divided by the average number of subscriptions for the relevant period.

Mobile revenues from company's own subscriptions

– consist of 'Subscription and traffic' and 'Interconnect revenues' and do not include revenues from inbound roaming, national roaming, service providers, MVNOs, sale of customer equipment and incoming traffic related to service provider subscriptions.

EBITDA				Operating profit (loss)			
2011	Margin	2010	Margin	2011	Margin	2010	Margin
2 664	39.9%	2 807	40.3%	1 849	27.7%	1 821	26.1%
644	26.4%	540	24.2%	189	7.7%	26	1.2%
419	24.0%	434	23.9%	199	11.4%	170	9.3%
375	34.8%	468	39.5%	178	16.5%	292	24.6%
278	42.3%	230	38.0%	145	22.0%	44	7.3%
50	37.4%	52	38.1%	36	27.2%	(6)	nm
1 354	36.7%	1 074	34.2%	966	26.2%	682	21.7%
1 218	45.3%	998	44.5%	836	31.1%	661	29.4%
791	47.7%	799	55.4%	471	28.4%	454	31.5%
396	33.6%	293	27.3%	88	7.5%	(9)	nm
(1 020)	nm	(974)	nm	(1 246)	nm	(1 113)	nm
439	24.8%	395	22.9%	291	16.4%	237	13.8%
(213)	nm	(46)	nm	(321)	nm	(155)	nm
7	-	(4)	-	15	-	2	-
7 401	30.7%	7 065	31.6%	3 696	15.3%	3 107	13.9%

Reconciliation

(NOK in millions)	First quarter		Year
	2011	2010	2010
Net income	3 003	1 149	14 808
Profit (loss) from discontinued operations	-	(121)	(415)
Profit from continuing operations	3 003	1 270	15 223
Income taxes	(1 412)	(885)	(4 982)
Profit before taxes	4 416	2 155	20 205
Net financial income (expenses)	(380)	(859)	(1 989)
Profit (loss) from associated companies	1 100	(93)	9 694
Depreciation and amortisation	(3 705)	(3 958)	(16 134)
Impairment losses	-	-	(14)
EBITDA	7 401	7 065	28 648
Gains (losses) on disposal of fixed assets and operations	144	(6)	(125)
Workforce reductions and loss contracts	(119)	(79)	(401)
One-time effects to pension costs	17	-	(46)
EBITDA before other income and expenses	7 359	7 151	29 220

Fixed operations

Revenues

Telephony

– consist of subscription and connection fee, traffic (fixed to fixed, fixed to mobile, to other countries, value added services, other traffic) for PSTN/ISDN and Voice over Internet Protocol (VoIP).

Internet and TV

– consist of subscription fee for xDSL and fibre, subscription fee and traffic charges for Internet traffic (810/815) in addition to TV services.

Data services

– consist of Nordic Connect/IP-VPN.

Other

– consist of leased lines, managed services and other retail products.

Wholesale

– consist of sale to service providers of telephony (PSTN/ISDN) and xDSL, national and international interconnect, transit traffic, leased lines, other wholesale products and contractor services.

Key Figures

Subscriptions

Telephony subscriptions consist of PSTN, ISDN, VoIP subscriptions.

Internet consists of broadband access over xDSL, fibre and cable TV.

TV consists of TV services over cable, xDSL and fibre.

Subscriptions are counted until the subscription is terminated.

Average revenue per subscription per month (ARPU)

ARPU is calculated based on revenues from the company's own subscriptions, divided by the average number of subscriptions for the relevant period.

Internet ARPU is calculated based on Internet revenues as defined above except TV service revenues.

TV ARPU is calculated based on revenues from TV services.

Broadcast

Revenues

Canal Digital DTH

– consists of revenues from our Nordic DTH subscribers, households in SMATV networks and DTT subscribers in Finland.

Satellite Broadcasting

– consist of revenues from satellite services from satellite position 1-degree west,

Norkring

– consist of revenues from terrestrial radio and TV transmission in Norway, Belgium and Slovenia.

Conax

– consist of revenues from sale of encryption and conditional access services for TV distribution.

Other

– consist of revenues from Telenor Media and Content Services, cable TV and IPTV subscribers in Sweden and cable subscribers and SMATV households in Denmark.

First quarter 2011

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