



Q3/ 2013

Interim report
January–September 2013

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Growing profitability

Highlights third quarter 2013

- Organic revenue growth of 1%¹⁾
- EBITDA margin of 37%
- Operating cash flow of NOK 5.9 billion²⁾
- Earnings per share of NOK 2.59

Highlights first three quarters 2013

- Organic revenue growth of 1%¹⁾
- EBITDA margin of 35%
- Operating cash flow of NOK 16.8 billion²⁾
- Earnings per share of NOK 7.05

Jon Fredrik Baksaas
Jon Fredrik Baksaas
President & CEO

“Telenor Group’s performance this quarter is proof of a sound business with solid earnings and margins. A record high EBITDA of NOK 9.6 billion, as well as an operating cash flow margin of 23 per cent, demonstrates our ability to create value. Our effort to capture growth remains a top priority, while we will continue to drive efficiency improvements.

It is paramount for Telenor to provide Internet access with good connectivity and services for all. Only around one out of four of Telenor’s customers in Asia currently have access to the Internet, representing a vast potential for our future growth. During this quarter, subscription and traffic revenues in Asia increased by 9%, continuing its healthy trend. In Thailand and Malaysia, where the Internet is already the main growth driver, we added 240,000 and 279,000 customers, respectively. Earlier this month Grameenphone launched 3G services to customers in central parts of the city of Dhaka, marking the start of a nationwide network roll-out.

In Thailand, the new 2.1 GHz network was launched in July. The migration of customers is progressing according to plan and dtac aims to have a minimum of 10 million customers on the licenced network by the end of the year. In the years to come, we expect significant cost savings and margin improvement from the transition to the licence regime.

During the quarter, we saw continued improvement in Sweden on the back of solid execution and implementation of data centric tariffs. The revenue development in Norway is weaker than expected. In order to secure healthy return on our high network investments, we need to further optimise data centric offers, to stimulate demand for mobile data and at the same time deliver the required revenue growth. As a consequence of continued challenging market conditions in Denmark, we are now embarking upon an ambitious transformation programme which will run through 2014.

Globul in Bulgaria was included in the Telenor Group as of August. In Myanmar, we are expecting to finalise the licence later this year with the aim of launching services in mid-2014.

Based on the performance in the first three quarters and the outlook for the rest of the year, we revise the outlook for organic revenue growth to 1-2% and capex to sales to 13-14%. We maintain our guidance of around 34% EBITDA margin.”

Key figures Telenor Group

(NOK in millions except earnings per share)	3rd quarter		First three quarters		Year
	2013	2012 Restated	2013	2012 Restated	2012 Restated
Revenues	25 953	25 253	76 416	75 728	101 718
EBITDA before other income and expenses	9 619	8 820	26 899	24 644	32 848
EBITDA before other income and expenses/Revenues (%)	37.1	34.9	35.2	32.5	32.3
Adjusted operating profit ³⁾	6 281	5 390	16 732	13 923	18 446
Adjusted operating profit/Revenues (%)	24.2	21.3	21.9	18.4	18.1
Profit after taxes and non-controlling interests	3 917	3 650	10 767	6 301	8 809
Earnings per share from total operations, basic, in NOK	2.59	2.34	7.05	4.01	5.63
Capex	5 589	5 499	11 941	11 140	21 511
Capex excl. licences and spectrum	3 730	3 336	10 081	8 728	12 299
Capex excl. licences and spectrum/Revenues (%)	14.4	13.2	13.2	11.5	12.1
Operating cash flow ²⁾	5 889	5 484	16 817	15 917	20 549
Net interest-bearing liabilities ⁴⁾			37 752	28 597	33 082

Please refer to page 10 for the full outlook for 2013, and page 20 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⁾ Adjusted operating profit is defined as Operating profit less other income and expenses and impairment losses.

⁴⁾ Net interest-bearing liabilities are defined as interest-bearing debt excluding net present value of licence liabilities.

Interim report

Telenor's operations

The comments below are related to Telenor's development in the third quarter of 2013 compared to the third quarter of 2012, 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



Norway

(NOK in millions)	3rd quarter		First three quarters		Year
	2013	2012 Restated	2013	2012 Restated	2012 Restated
Revenues mobile operation					
Subscription and traffic	2 623	2 700	7 598	7 681	10 247
Interconnect revenues	194	219	575	767	992
Other mobile revenues	323	337	983	1 006	1 353
Non-mobile revenues	226	226	711	659	1 048
Total revenues mobile operation	3 367	3 482	9 868	10 113	13 639
Revenues fixed operation					
Telephony	677	736	2 119	2 303	3 096
Internet and TV	1 262	1 218	3 742	3 609	4 858
Data services	117	125	343	384	501
Other fixed revenues	365	378	1 051	1 064	1 384
Total retail revenues	2 420	2 456	7 255	7 360	9 838
Wholesale revenues	486	500	1 466	1 515	2 027
Total revenues fixed operation	2 906	2 957	8 721	8 875	11 865
Total revenues	6 273	6 439	18 589	18 987	25 504

EBITDA before other items	2 881	2 986	8 216	8 131	10 854
Operating profit	2 021	2 225	5 743	5 927	7 845

EBITDA before other items/Total revenues (%)	45.9	46.4	44.2	42.8	42.6
Capex	1 138	962	3 245	2 880	4 144
Investments in businesses	-	-	26	-	173

Mobile ARPU - monthly (NOK)	294	306	286	297	296
Fixed Telephony ARPU	266	256	269	261	267
Fixed Internet ARPU	326	319	324	315	318
TV ARPU	258	253	250	249	249

No. of subscriptions - Change in quarter/Total (in thousands):

Mobile	21	5	3 201	3 180	3 175
Fixed telephony	(30)	(27)	827	944	917
Fixed Internet	(5)	1	862	856	870
TV	(2)	2	525	512	524

- The number of mobile subscriptions increased by 21,000 during the quarter. Increased number of contract subscriptions was partly offset by migration from pure mobile broadband contracts to bundled tariffs. At the end of the quarter, the subscription base was 1% higher than at the end of third quarter last year.
- Reported mobile ARPU declined by 4% or NOK 12. Reduced interconnect rate from January 2013 affected ARPU by NOK 3 while lower roaming charges reduced ARPU by NOK 3.
- Mobile revenues declined by 3% as lower ARPU was partly offset by a larger customer base.
- Fixed line revenues decreased by 2%. Reduced number of telephony subscriptions and reduction in wholesale revenues were partly offset by increased fixed telephony ARPU and higher revenues from Internet and TV services.
- The EBITDA margin was stable. Improved gross margin from change in interconnect rate and reduction in low-margin hardware sales were offset by increased operation and maintenance costs and higher marketing expenditures.
- Capital expenditure increased mainly related to continued roll-out of 3G and 4G coverage and capacity, and fibre coverage. During the quarter, Telenor added 8,000 fibre customers, bringing the total customer base on fibre to 73,000.
- During the quarter, Telenor Norway received a formal approval for acquisition of franchise shop chain Telekiosken that has more than 80 shops.

Sweden

(NOK in millions)	3rd quarter		First three quarters		Year
	2013	2012 Restated	2013	2012 Restated	2012 Restated
Revenues mobile operation					
Subscription and traffic	1 395	1 328	3 981	3 881	5 152
Interconnect revenues	122	149	410	495	641
Other mobile revenues	85	86	225	242	311
Non-mobile revenues	500	507	1 388	1 367	1 995
Total revenues mobile operation	2 103	2 071	6 005	5 986	8 099
Revenues fixed operation	664	645	1 972	1 874	2 508
Total revenues	2 766	2 716	7 977	7 860	10 607

EBITDA before other items	931	808	2 441	2 058	2 698
Operating profit	573	498	1 389	1 085	1 403

EBITDA before other items/Total revenues (%)	33.7	29.7	30.6	26.2	25.4
Capex	251	251	858	777	1 173
Investments in businesses	-	163	3	306	326

Mobile ARPU - monthly (NOK)	208	211	204	214	210
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No. of subscriptions - Change in quarter/Total (in thousands):

Mobile	25	58	2 433	2 352	2 385
Fixed telephony	(14)	(2)	290	341	333
Fixed Internet	(5)	46	529	543	545
TV	(3)	18	286	282	284

Exchange rate		0.8929	0.8610	0.8593
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- The number of mobile subscriptions increased by 25,000 during the quarter. At the end of the quarter, the subscription base was 3% higher than at the end of third quarter last year.
- The number of Internet subscriptions declined by 5,000 during the quarter. The growth in fibre access customers was more than offset by the reduced number of copper access customers.
- Mobile ARPU in local currency decreased by 5% driven mainly by lower interconnect rates and increased handset-related discounts for new subscriptions. Excluding these effects, ARPU improved by 8% as the growth in data centric offerings more than offset the decline in voice and messaging revenues.
- Mobile revenues in local currency decreased by 3% due to reduced ARPU and lower handset sales, partly offset by the effect from increased customer base, while mobile service revenues decreased by 2%. Adjusted for the handset-related discount, mobile service revenues increased by 9%.
- Fixed revenues in local currency decreased by 2% due to reduced number of telephony subscriptions combined with lower telephony ARPU.
- Total revenues in local currency decreased by 2% mainly as an effect from lower revenues in the mobile operation.
- The EBITDA margin increased by 4 percentage points due to improved gross profit from the mobile operation, lower subscriber acquisition costs as well as effects from several operational efficiency initiatives. EBITDA in local currency increased by 10%.
- Capital expenditure was mainly allocated to the 4G network roll-out and the 3G network swap.
- On 22 October 2013, Telenor Sweden entered into an agreement with Tele2 to acquire Tele2 Swedish residential fibre and cable TV business for SEK 775 million. The acquisition includes a portfolio of about 370,000 households passed with a connection to fibre and cable (Coax), of which 125,000 are fixed broadband customers, 75,000 are digital TV customers and approximately 220,000 households are with cable television. The acquisition is subject to customary approval of the Competition Authority before the closing.

Denmark

(NOK in millions)	3rd quarter		First three quarters		Year
	2013	2012	2013	2012	2012
Revenues mobile operation					
Subscription and traffic	736	749	2 131	2 235	2 943
Interconnect revenues	69	142	210	482	630
Other mobile revenues	23	48	69	151	191
Non-mobile revenues	234	195	712	738	1 115
Total revenues mobile operation	1 062	1 133	3 122	3 606	4 879
Revenues fixed operation	184	197	547	655	850
Total revenues	1 246	1 330	3 668	4 261	5 729

EBITDA before other items	302	307	777	886	1 158
Operating profit (loss)	108	117	140	279	(3 594)

EBITDA before other items/Total revenues (%)	24.2	23.1	21.2	20.8	20.2
Capex	113	112	325	462	575
Investments in businesses	-	-	-	-	5

Mobile ARPU - monthly (NOK)	142	143	136	150	148
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No. of subscriptions - Change in quarter/Total (in thousands):

Mobile	(40)	17	1 856	2 037	2 015
Fixed telephony	(9)	(10)	117	148	138
Fixed Internet	(5)	(6)	170	191	184

Exchange rate		1.0278	1.0097	1.0041
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- The number of mobile subscriptions decreased by 40,000 during the quarter, of which more than half due to disconnected inactive prepaid subscriptions. Compared to the end of the same period last year, the subscription base declined by 9%.
- Mobile ARPU in local currency decreased by 7% or DKK 10 as a consequence of a 65% reduction in interconnect rates from 1 January 2013 together with the effect from customer migration to low-end tariffs. The effect of reduced interconnect rates was DKK 12. The negative effects were partly offset by the positive effect from clean-up of inactive contract and prepaid subscriptions. The mobile ARPU has now been fairly stable over the last three quarters.
- Mobile revenues decreased by 13% as a result of lower customer base and reduced ARPU.
- Total revenues in local currency declined by 13%, of which lower interconnect rates constitute 6 percentage points and lower fixed revenues 2 percentage points of the reduction.
- The EBITDA margin increased by 1 percentage point due to improved gross margin and reduced operating expenses.
- Capital expenditure in local currency decreased by 7% primarily due to savings related to the infrastructure joint venture with Telia. The majority of capital expenditure is related to 3G network roll-out.

Hungary

(NOK in millions)	3rd quarter		First three quarters		Year
	2013	2012	2013	2012	2012
Revenues					
Subscription and traffic	808	825	2 337	2 320	3 140
Interconnect revenues	128	150	368	450	606
Other mobile revenues	25	29	64	69	86
Non-mobile revenues	60	57	162	151	259
Total revenues	1 020	1 060	2 930	2 990	4 090
EBITDA before other items	351	321	1 085	1 011	1 317
Operating profit	246	228	775	700	926

EBITDA before other items/Total revenues (%)	34.4	30.3	37.0	33.8	32.2
Capex	638	84	740	433	497

No. of subscriptions - Change in quarter/Total (in thousands):	21	2	3 270	3 265	3 322
ARPU - monthly (NOK)	96	99	92	93	95
Exchange rate			0.0258	0.0258	0.0259

- The number of subscriptions increased by 21,000 during the quarter. The subscription base remained stable compared to the same period last year.
- ARPU in local currency decreased by 6% mainly due to the reduction in interconnect rates from 1 January and roaming charges from 1 July.
- Revenues in local currency decreased by 5% due to lower ARPU partly offset by higher handset revenues.
- The EBITDA margin increased by 4 percentage points mainly explained by only one telecommunication tax in effect, as the initial telecommunication tax was removed from 1 January 2013. In this quarter, NOK 93 million was recognised for the remaining telecommunication tax, having a negative effect on the EBITDA margin of 9 percentage points. Reduced interconnect and roaming costs as well as lower operating expenses impacted EBITDA positively.
- The increase in capital expenditure was mainly related to NOK 578 million regarding extension of the 900 MHz and 1800 MHz frequency rights until 2022. The usage of the EGSM licence awarded in an auction January 2012, but suspended following a Court decision, was also secured until 2022. As part of the renewal agreement, the annual spectrum payment has been reduced.

Globul - Bulgaria

(NOK in millions)	3rd quarter		First three quarters		Year
	2013	2012	2013	2012	2012
Revenues					
Subscription and traffic	342	-	342	-	-
Interconnect revenues	22	-	22	-	-
Other mobile revenues	11	-	11	-	-
Non-mobile revenues	79	-	79	-	-
Total revenues	454	-	454	-	-
EBITDA before other items	165	-	165	-	-
Operating profit	53	-	53	-	-

EBITDA before other items/Total revenues (%)	36.3	-	36.3	-	-
Capex	24	-	24	-	-

No. of subscriptions - Change in quarter/Total (in thousands):	3 944	-	3 944	-	-
ARPU - monthly (NOK)	46	-	46	-	-
Exchange rate			4.0675	-	-

On 1 August 2013, Telenor acquired 100% of the shares in Bulgarian mobile operator Globul for NOK 5.2 billion. Globul is consolidated from 1 August 2013. For further information, please refer to note 2. The preceding table shows figures from the time of consolidation and comments below refer to development compared to same period last year:

- The number of subscriptions decreased by 62,000 in August and September mainly due to clean-up in the subscription base. At the end of the quarter, the subscription base was 4% higher than at the end of third quarter last year.
- ARPU in local currency excluding one-time effects and change in interconnect rates decreased by 5% mainly due to lower prices.
- Adjusted for the one-time effects and interconnect reduction, revenues were stable as lower ARPU was offset by a higher subscription base.
- Excluding the one-time effects, the EBITDA margin decreased by 2 percentage points compared to last year mainly from higher handset sales.

Serbia

(NOK in millions)	3rd quarter		First three quarters		Year
	2013	2012	2013	2012	2012
Revenues					
Subscription and traffic	545	496	1 502	1 411	1 879
Interconnect revenues	166	147	464	432	580
Other mobile revenues	28	33	72	94	121
Non-mobile revenues	46	43	134	112	155
Total revenues	786	720	2 172	2 049	2 735
EBITDA before other items	310	284	873	806	1 080
Operating profit	234	213	653	573	733

EBITDA before other items/Total revenues (%)	39.4	39.4	40.2	39.3	39.5
Capex	53	47	141	153	221

No. of subscriptions - Change in quarter/Total (in thousands):	71	115	3 238	3 247	3 207
ARPU - monthly (NOK)	74	67	68	65	65
Exchange rate			0.0680	0.0665	0.0661

- The number of subscriptions increased by 71,000 during the quarter due to seasonal effects. The subscription base remained stable compared to the same period last year.
- ARPU in local currency was stable as high price pressure in prepaid market was offset by continued migration from prepaid to contract subscriptions.
- Revenues in local currency were stable compared to last year following unchanged ARPU and subscription base.
- The EBITDA margin was on the same level compared to last year as slightly higher personnel costs were offset by lower sales and marketing expenses.
- Capital expenditure was mainly related to network coverage and capacity.

Montenegro

(NOK in millions)	3rd quarter		First three quarters		Year
	2013	2012	2013	2012	2012
Revenues	172	194	407	458	584
EBITDA before other items	85	110	170	197	245
Operating profit	75	102	144	161	203

EBITDA before other items/Total revenues (%)	49.3	56.6	41.8	43.0	42.0
Capex	6	7	21	36	46

No. of subscriptions - Change in quarter/ Total (in thousands):	50	53	443	475	400
Exchange rate			7.6652	7.5105	7.4744

- The number of subscriptions increased by 50,000 during the quarter mainly due to new prepaid subscriptions sold during the summer season. At the end of the quarter, the subscription base was 7% lower than at the end of third quarter last year mainly as a result of reduced SIM penetration in the market.
- ARPU in local currency, excluding accounting adjustment last year, was stable as a result of reduced domestic interconnect rates introduced from 1 January 2013 offset by churn of low ARPU subscriptions.
- Revenues in local currency decreased by 16%. Excluding change in interconnect rates and a positive one-time accounting adjustment last year, revenues decreased by 7% as a result of lower subscription base and significantly lower inbound roaming revenues.
- Excluding the one-time adjustment last year, the EBITDA margin decreased by 4 percentage points as lower revenues were only partly offset by reduced interconnect costs and decreased operating expenditures.

dtac - Thailand

(NOK in millions)	3rd quarter		First three quarters		Year
	2013	2012	2013	2012	2012

Revenues

Subscription and traffic	3 171	2 845	9 552	8 431	11 375
Interconnect revenues	432	745	2 032	2 268	3 036
Other mobile revenues	53	83	217	218	306
Non-mobile revenues	414	324	1 580	1 370	2 059
Total revenues	4 069	3 998	13 380	12 287	16 776

EBITDA before other items	1 362	1 270	4 241	3 774	5 016
Operating profit	785	812	2 552	2 484	3 226

EBITDA before other items/Total revenues (%)	33.5	31.8	31.7	30.7	29.9
Capex	781	778	1 567	1 337	4 144

No. of subscriptions - Change in quarter/ Total (in thousands) *):	240	258	27 471	24 568	26 318
ARPU - monthly (NOK)	44	49	48	49	49
Exchange rate			0.1913	0.1879	0.1872

*): Please note that the number of subscriptions and accordingly ARPU have been restated for 2012.

- The number of subscriptions increased by 240,000 during the quarter. At the end of the quarter, the subscription base was 12% higher than at the end of third quarter last year.
- ARPU in local currency decreased by 11% due to 55% reduction in the interconnect rate from 1 July 2013.

- Total revenues in local currency increased by 1% driven by a larger subscription base and higher handset sales offsetting the decline in ARPU. Adjusted for the interconnect rate reduction, revenues increased by 9%, driven by continued strong demand for mobile data.
- 3G services on the 2.1 GHz network were launched on 23 July, and migration of subscribers to the new network has been the key focus this quarter. At the end of the quarter, dtac had 3.7 million subscribers on the new network.
- The EBITDA margin increased by 2 percentage points due to higher gross margin from a lower interconnect rate, partly offset by higher marketing expenditures in connection with launch of 3G services.
- Capital expenditure was mainly related to 3G network roll-out.

DiGi - Malaysia

(NOK in millions)	3rd quarter		First three quarters		Year
	2013	2012	2013	2012	2012

Revenues

Subscription and traffic	2 662	2 553	7 820	7 635	10 196
Interconnect revenues	178	209	548	612	807
Other mobile revenues	36	23	101	81	102
Non-mobile revenues	266	212	815	627	882
Total revenues	3 142	2 997	9 283	8 955	11 986

EBITDA before other items	1 417	1 349	4 139	4 153	5 499
Operating profit	1 008	764	2 731	2 319	2 991

EBITDA before other items/Total revenues (%)	45.1	45.0	44.6	46.4	45.9
Capex	432	284	1 136	842	1 319

No. of subscriptions - Change in quarter/ Total (in thousands):	279	74	10 827	10 304	10 494
ARPU - monthly (NOK)	89	91	88	91	90
Exchange rate			1.8567	1.8926	1.8843

- The number of subscriptions increased by 279,000 during the quarter mainly due to growth in the prepaid segment. At the end of the quarter, the subscription base was 5% higher than at the end of third quarter last year.
- ARPU in local currency remained stable as continuous growth in mobile data offset lower voice ARPU from intensified competition.
- Total revenues in local currency increased by 7% due to a larger subscription base and higher handset sales. Service revenues grew by 5%, which is an improvement from the growth trend seen in previous quarters.
- The EBITDA margin remained stable as operational efficiency initiatives offset the impact of higher traffic costs and low margin on increased handset sales.
- Operating profit improved from higher EBITDA and lower accelerated depreciation as the network modernisation programme approached completion. Accelerated depreciation this quarter amounted to NOK 30 million compared to NOK 218 million in the third quarter of 2012.
- Capital expenditure was mainly related to the network modernisation, site roll-out, deployment of fibre and IT-related investments. The network modernisation was completed in the third quarter of 2013.

Grameenphone - Bangladesh

(NOK in millions)	3rd quarter		First three quarters		Year
	2013	2012	2013	2012	2012
Revenues					
Subscription and traffic	1 636	1 452	4 601	4 337	5 690
Interconnect revenues	210	168	557	493	652
Other mobile revenues	6	8	19	28	37
Non-mobile revenues	87	32	221	100	162
Total revenues	1 939	1 660	5 399	4 957	6 541
EBITDA before other items	1 028	857	2 740	2 628	3 483
Operating profit	789	590	1 953	1 808	2 396

EBITDA before other items/Total revenues (%)	53.0	51.6	50.7	53.0	53.3
Capex	1 525	2 346	1 769	2 880	3 021

No. of subscriptions - Change in quarter/ Total (in thousands):	2 075	1 660	46 043	40 954	40 021
ARPU - monthly (NOK)	14	14	13	14	14
Exchange rate			0.0743	0.0715	0.0711

- On 12 September 2013, Grameenphone was awarded 10MHz in the 2.1 GHz frequency band valid for 15 years for a total amount of NOK 1.3 billion. Commercial 3G services were successfully launched in Dhaka on 8 October 2013.
- The number of subscriptions increased by 2.1 million during the quarter. At the end of the quarter, the subscription base was 12% higher than at the end of third quarter last year.
- ARPU in local currency decreased by 5% mainly due to price regulation last year and discounts adapting to competition this quarter, in addition to continued growth in lower revenue generating segments.
- Revenues in local currency increased by 10% driven by 8% growth in service revenues, higher site sharing revenues and sale of handsets.
- The EBITDA margin increased by 2 percentage points mainly from reduction in SIM-tax from 16 May 2013, partly offset by increased market activities. EBITDA in local currency increased by 14%.
- Capital expenditure increased due investments in 3G network and also includes capitalisation of the 3G licence.
- GP IT was deconsolidated from 1 September 2013 as Grameenphone sold 51% of its stake to Accenture.

Pakistan

(NOK in millions)	3rd quarter		First three quarters		Year
	2013	2012	2013	2012	2012
Revenues					
Subscription and traffic	1 003	1 003	3 040	3 165	4 176
Interconnect revenues	114	233	377	691	845
Other mobile revenues	6	7	17	20	35
Non-mobile revenues	223	130	631	356	597
Total revenues	1 346	1 373	4 065	4 232	5 654
EBITDA before other items	511	486	1 582	1 623	2 233
Operating profit (loss)	282	(95)	499	(260)	(243)

EBITDA before other items/Total revenues (%)	37.9	35.4	38.9	38.4	39.5
Capex	269	299	1 124	419	749

No. of subscriptions - Change in quarter/ Total (in thousands):	160	199	32 344	30 163	30 564
ARPU - monthly (NOK)	12	14	12	14	14
Exchange rate			0.0583	0.0635	0.0624

- The number of subscriptions increased by 160,000 during the quarter including a downward adjustment of 542,000 subscriptions following a reconciliation exercise. At the end of the third quarter, the subscription base was 7% higher than the same quarter last year.
- ARPU in local currency decreased by 10%, caused by shifting revenues from incoming international traffic through International Clearing House (ICH) to non-mobile revenues, in addition to the continued fierce on-net competition putting pressure on national interconnect revenues.
- Total revenues in local currency increased by 5% primarily through increase in subscription and traffic revenues. Financial services contributed with 2.5 percentage points to the total revenue growth, but the impact of introduction of ICH contributed negatively with 1 percentage point.
- The EBITDA margin improved by 2 percentage points following higher revenues, savings from energy initiatives and negative one-time effects last year. The impact of introduction of ICH contributed negatively with 3 percentage points. EBITDA in local currency increased by 12%.
- Capital expenditure decreased as the network modernisation was finalised during the quarter, also resulting in reduced accelerated depreciation and improved operating profit.

India

(NOK in millions)	3rd quarter		First three quarters		Year
	2013	2012	2013	2012	2012
Revenues	729	863	2 165	2 906	3 716
EBITDA before other items	(140)	(408)	(478)	(1 654)	(1 981)
Operating profit (loss)	(143)	(536)	(444)	(5 839)	(6 283)

Capex	52	-	130	142	4 526
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No. of subscriptions - Change in quarter/ Total (in thousands) *):	1 495	(4 647)	26 000	29 075	26 840
ARPU - monthly (NOK)	10	9	10	10	10
Exchange rate			0.1014	0.1105	0.1091

*): Please note that the definition for active subscriptions in the Indian operation is more conservative than the Group definition on page 20, due to high churn in the Indian market. Subscriptions are counted as active if there has been activity during the last 30 days.

- Telenor's Indian operation continues to strengthen the "sabse sasta - most affordable" value proposition in the six operating circles. The monthly churn rate declined from 6% previous quarter to 5% this quarter, along with a 10% reduction in acquisition cost for each new subscriber.
- The number of subscriptions increased by 1.5 million in the quarter taking the total subscriber base to 26.0 million. In the third quarter of 2012, the comparable six circle subscription base closed at 23.5 million.
- The quality of the customer base improved, resulting in an increase of ARPU in local currency from INR 97 in the second quarter to INR 100 in the third quarter. Compared to third quarter last year, ARPU increased by 14%.
- Revenues in local currency in the six circles increased by 23% compared to third quarter last year. Gross margin in these circles continues to improve, and is now 3 percentage points higher than third quarter last year.
- The operating cash flow was stable compared to previous quarter, as the launch of 870 new sites to accommodate for continued revenue growth, added opex and capex this quarter.
- Even though Telenor has fulfilled its part of the conditions for continued operations in India, the Indian authorities have still not given the necessary approvals for the business transfer from Uninor to Telewings, nor have they issued the Unified Licences required in order to utilise the spectrum obtained by Telewings in the GSM auction that was closed on 14 November 2012. As a result thereof, Telenor is operating its business in India through Uninor under the old spectrum as an interim measure until the business is transferred to Telewings, consistent with the intention of the Supreme Court order not to be disruptive to the business of successful bidders in the spectrum auctions.

Broadcast

	3rd quarter		First three quarters		Year
	2012		2012		2012
(NOK in millions)	2013	Restated	2013	Restated	Restated
Revenues					
Canal Digital DTH	1 146	1 109	3 385	3 319	4 428
Satellite Broadcasting	241	242	724	740	980
Norkring	270	235	775	700	946
Conax	145	121	437	402	569
Other/Eliminations	(123)	(112)	(364)	(279)	(402)
Total revenues	1 680	1 595	4 957	4 882	6 521

EBITDA before other items

Canal Digital DTH	212	192	580	513	635
Satellite Broadcasting	171	170	489	514	674
Norkring	146	139	395	377	494
Conax	62	50	166	173	230
Other/Eliminations	(20)	(6)	(44)	(41)	(55)
Total EBITDA before other items	570	545	1 586	1 536	1 979

Operating profit

Canal Digital DTH	196	179	535	468	570
Satellite Broadcasting	106	108	307	326	424
Norkring	86	84	207	211	254
Conax	52	40	138	132	180
Other/Eliminations	(20)	(5)	(52)	(50)	(62)
Total operating profit	420	405	1 136	1 088	1 365

EBITDA before other items/Total revenues (%)	34.0	34.2	32.0	31.5	30.3
Capex	151	119	419	289	417

No. of subscriptions - Change in quarter/Total (in thousands):

DTH TV	(3)	(4)	931	948	945
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- Total revenues and EBITDA increased by 5%, resulting in a stable EBITDA margin for Broadcast in total.
- Revenues in Canal Digital DTH increased by 3% due to price increases and positive currency effects partly offset by reduced hardware sales and a lower DTH subscriber base.
- The EBITDA margin in Canal Digital DTH was 18% and 1 percentage point higher due to increased revenue partly offset by increased sales, marketing and other operating costs.
- Revenues and EBITDA in Satellite Broadcasting were stable.
- Revenues in Norkring increased by 15% and EBITDA by 5% due to digital audio broadcasting (DAB) roll-out and installation revenues.
- Revenues in Conax increased by 20% and EBITDA by 23% due to higher smart card sales compared to the same quarter last year and sale of conditional access modules.
- Capital expenditure increased primarily due to DAB network investments in Norkring in Norway and ground equipment in Satellite Broadcasting.

Other units

	3rd quarter		First three quarters		Year
	2012		2012		2012
(NOK in millions)	2013	Restated	2013	Restated	Restated
Revenues					
International wholesale	434	491	1 310	1 426	1 921
Telenor Digital	124	108	391	338	454
Corporate functions	532	537	1 610	1 653	2 232
Other/Eliminations	96	62	207	160	207
Total revenues	1 186	1 198	3 518	3 576	4 815

EBITDA before other items

International wholesale	24	21	55	63	91
Telenor Digital	(43)	(37)	(209)	(121)	(198)
Corporate functions	(164)	(94)	(518)	(419)	(600)
Other/Eliminations	34	20	51	22	23
Total EBITDA before other items	(149)	(90)	(620)	(455)	(685)

Operating profit (loss)

International wholesale	16	21	35	52	63
Telenor Digital	(218)	(43)	(442)	(139)	(216)
Corporate functions	(281)	(192)	(874)	(738)	(1 033)
Other/Eliminations	13	8	9	(11)	(22)
Total operating profit (loss)	(470)	(207)	(1 272)	(835)	(1 209)

Capex	156	212	448	490	656
Investments in businesses	5 219	658	5 252	6 989	6 997

- Revenues in International wholesale decreased due to lower volumes and prices, partly offset by positive currency effects.
- EBITDA in Telenor Digital decreased mainly due to increased development cost, partly offset by improved results in machine-to-machine business. Operating profit decreased due to workforce reductions and impairment of intangible assets.
- EBITDA in corporate functions decreased mainly due to higher corporate activities mainly related to acquisitions in Bulgaria and Myanmar. In addition, operating profit decreased due to workforce reductions.
- Investments in businesses were mainly related to the acquisition of 100% of the shares in Bulgarian mobile operator Globul. See note 2 for further details.

Group overview

The comments below are related to Telenor's development in 2013 compared to 2012 unless otherwise stated. Please refer to note 11 for further information.

Revenues

- Revenues increased by NOK 0.7 billion or 0.9% during the first three quarters of 2013 compared to the same period last year. Solid growth in dtac and Grameenphone in addition to effects from the acquisition in Bulgaria was partly offset by a weaker Danish market, reduced scale of the Indian operation as well as lower revenues from the Norwegian operation. Currency effects on revenues were NOK 129 million.

EBITDA before other items

- EBITDA increased by NOK 2.3 billion or 9.1% mainly as a result of improved performance in India, dtac, Sweden and Grameenphone more than offsetting weaker results Denmark and Other operations. Currency effects on EBITDA were NOK 214 million.

Specification of other income and expenses

(NOK in millions)	3rd quarter		First three quarters		Year
	2013	2012 Restated	2013	2012 Restated	2012 Restated
EBITDA before other income and expenses	9 619	8 820	26 899	24 644	32 848
EBITDA margin before other income and expenses (%)	37.1	34.9	35.2	32.5	32.3
Gains (losses) on disposal of fixed assets and operations	56	(21)	9	(99)	(161)
Workforce reductions and loss contracts	(208)	(241)	(523)	(485)	(692)
One-time effects to pension costs	(1)	(9)	(4)	(7)	(16)
EBITDA	9 465	8 549	26 381	24 054	31 980
EBITDA margin (%)	36.5	33.9	34.5	31.8	31.4

- In the third quarter of 2013 'Other income and expenses' mainly consisted of the following items:
 - Workforce reductions and onerous contracts mainly in Telenor Norway (NOK 82 million), Telenor Digital (NOK 57 million) and Corporate Functions (NOK 21 million).
 - Gain due to sale of shares and loss of control in Grameenphone IT Ltd. (NOK 54 million).
- The first three quarters of 2013 'Other income and expenses' also include:
 - Workforce reductions and onerous contracts mainly in Telenor Norway, Telenor Sweden, Telenor Denmark and Telenor Digital.
 - Losses on disposal of fixed assets mainly related to scrapping of intangible assets in dtac.

Operating profit

- Operating profit increased by NOK 6.6 billion compared to last year primarily due to impairment of assets in Uninor of NOK 3.9 billion in the first quarter of 2012 in addition to improved EBITDA as described above.
- Adjusted for the impairment related to Uninor in the first quarter of 2012, operating profit increased by NOK 2.8 billion compared to last year primarily due to improved EBITDA as explained above.

Associated companies and joint ventures

(NOK in millions)	3rd quarter		First three quarters		Year
	2013	2012 Restated	2013	2012 Restated	2012 Restated
Telenors share of					
Profit after taxes	1 244	1 198	3 371	2 560	3 050
Amortisation of Telenor's net excess values	(67)	(105)	(229)	(149)	(244)
Impairment losses	(4)	-	(315)	-	(22)
Gains (losses) on disposal of ownership interests	-	6	(359)	6	-
Profit (loss) from associated companies	1 173	1 099	2 468	2 417	2 784

- Net result from associated companies in the third quarter of 2013 includes NOK 1,211 million for Telenor's share of VimpelCom's reported result for the second quarter of 2013.
- Telenor's share of net result from VimpelCom improved by 6% compared to the third quarter of 2012, whereas underlying VimpelCom's reported result for the corresponding period improved by 17% mainly as a result of lower tax expense and declining amortisation of excess values. Telenor's share of VimpelCom's net result for the second quarter of 2013 was 33.0% with effect from 16 April 2013, compared to 35.7% for the second quarter of 2012 with effect from 4 April 2012.
- In the second quarter of 2013, a loss of NOK 385 million was recognised relating to Telenor's economic interest dilution from 35.7% to 33.0% as a consequence of Altimo's conversion of its 128.5 million preferred shares into common shares of VimpelCom Ltd.
- In the second quarter of 2013, an impairment loss of NOK 0.3 billion was recognised relating to the remaining carrying amount of investment in C More Group AB.
- On 27 September 2013, Telenor Digital signed an agreement with Schibsted Media Group and Singapore Press Holdings (SPH) about establishing two joint ventures in online classifieds, with a cash payment of around EUR 145 million. The companies will provide high-quality online classified services in selected key markets in Asia and South America. The transaction is subject to relevant merger control approvals and is expected to be finalised during the fourth quarter 2013.

Financial items

(NOK in millions)	3rd quarter		First three quarters		Year
	2013	2012 Restated	2013	2012 Restated	2012 Restated
Financial income	122	145	459	444	605
Financial expenses	(572)	(769)	(1 746)	(2 233)	(2 898)
Net currency gains (losses)	(502)	(77)	(570)	(213)	(156)
Net change in fair value of financial instruments	124	98	517	602	687
Net gains (losses and impairment) of financial assets and liabilities	2	-	(15)	(2)	(7)
Net financial income (expenses)	(827)	(604)	(1 354)	(1 402)	(1 769)
Gross interest expenses	(489)	(561)	(1 410)	(1 824)	(2 272)
Net interest expenses	(416)	(453)	(1 097)	(1 471)	(1 828)

- Financial expenses decreased mainly due to lower interest rate levels.
- The net currency losses were primarily related to financial assets and liabilities in other currencies than the Norwegian Krone. The largest effects were mainly related to depreciation of the Indian Rupee and the Pakistan Rupee, and appreciation of the Swedish Krona against the Norwegian Krone.
- The change in fair value of financial instruments was related to ineffectiveness in fair value hedges and derivatives used for economic hedges that do not fulfil the requirements for hedge accounting.

Taxes

- The estimated effective tax rate for the third quarter and the first three quarters of 2013 was 26%. In the second quarter of 2013, the Tax Appeal Committee ("Skatteklagenemnda") ruled the 2006-reassessment in our favour concerning a Total Return Swap (TRS) agreement in Telenor ASA. Telenor was notified a total repayment of NOK 0.5 billion, which was recognised as tax expense reduction and interest income. See note 4 for more information. This positive effect is partly offset by the negative effect of increased tax rate from 35% to 40% effective from 1 January 2012 in Grameenphone in Bangladesh, amounting to approximately NOK 0.3 billion.
- The effective tax rate for the year of 2013 is estimated to be around 26%.

Investments

(NOK in millions)	3rd quarter		First three quarters		Year
	2013	2012	2013	2012	2012
Capex	5 589	5 499	11 941	11 140	21 511
Capex excl. licences and spectrum	3 730	3 336	10 081	8 728	12 299
Capex excl. licences and spectrum/Revenues (%)	14.4	13.2	13.2	11.5	12.1

- Capital expenditure (excl. licences) increased by NOK 1.4 billion as higher network and infrastructure investments in Pakistan, Norway, DiGi and dtac more than offset reduced investments in Grameenphone, Hungary and Denmark.

Financial position

- During the first three quarters, total assets increased by 15.3 billion to NOK 183 billion, primarily due to acquisition of Globul, investments in network and licences, as well as weaker Norwegian Krone against relevant major currencies.
- Net interest-bearing liabilities increased by NOK 4.7 billion to NOK 37.8 billion mainly as a result of financing the acquisition of Globul. Gross interest-bearing debt increased by NOK 8.4 billion and cash position improved by NOK 4.8 billion.
- Total equity increased by NOK 1.8 billion to NOK 78.2 billion. The increase is mainly explained by income from operations of NOK 12.7 billion, positive currency translation effects of NOK 4.9 billion due to weaker Norwegian Krone, partly offset by total shareholders return of NOK 15.4 billion consisting of NOK 11.4 billion in dividends and NOK 4.0 billion in share buyback.

Cash flow

- Net cash inflow from operating activities during the first three quarters of 2013 was NOK 29.9 billion, an increase of NOK 10.7 billion compared to the first three quarters of 2012. This is mainly explained by higher EBITDA of NOK 2.3 billion and dividends from VimpelCom Ltd. of NOK 6.5 billion received in 2013. In addition, less income tax paid and improved working capital contributed positively with NOK 1.6 billion.
- Net cash outflow to investing activities during the first three quarters of 2013 was NOK 13.7 billion, a decrease of NOK 2.9 billion compared to the first three quarters of 2012. This is mainly explained by purchase of VimpelCom Ltd. shares of NOK 7.0 billion during the first three quarters of 2012, while during the first three quarters of 2013 there was acquisition of Globul of NOK 4.5 billion.
- Net cash outflow to financing activities during the first three quarters of 2013 was NOK 11.8 billion, an increase of NOK 5.7 billion compared to the first three quarters of 2012. This is mainly due to decrease in net borrowings of NOK 6.3 billion.
- Cash and cash equivalents increased by NOK 4.8 billion during the first three quarters of 2013 to NOK 13.6 billion as of 30 September 2013.

Transactions with related parties

For detailed information on related party transactions refer to Note 34 in Telenor's Annual Report 2012.

In addition to transactions described in the Annual Report the following new significant related party transactions occurred in 2013:

- At the Annual General Meeting on 15 May 2013, redemption of shares owned by the Kingdom of Norway through the Ministry of Trade and Industry was approved. See Annual Report 2012 note 34 and 37 for more information.

Outlook for 2013

Based on the current group structure including India and with currency rates as of 30 September 2013 Telenor expects:

- Organic revenue growth in the range of 1 -2%.
- EBITDA margin before other income and expenses around 34%.
- Capital expenditure as a proportion of revenues, excluding licences and spectrum, in the range of 13-14%.

Risk 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 2012, section Risk Factors and Risk Management, and Telenor's Annual Report 2012 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 developments of risks and uncertainties since the publication of Telenor's Annual Report for 2012 are:

Legal disputes

See note 8 for details.

Financial aspects

As of 30 September 2013, Telenor ASA had issued NOK 2.6 billion in bank guarantees related to India, of which NOK 1.5 billion relates to interest-bearing debt. The remaining NOK 1.1 billion relates to guarantees issued to the Indian Department of Telecom.

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 2013' 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, 30 October 2013

The Board of Directors of Telenor ASA

Condensed interim financial information

Consolidated income statement

Telenor Group

	3rd quarter		First three quarters		Year
	2013	2012 Restated	2013	2012 Restated	2012 Restated
<i>(NOK in millions except earnings per share)</i>					
Revenues	25 953	25 253	76 416	75 728	101 718
Costs of materials and traffic charges	(6 679)	(6 961)	(20 464)	(21 235)	(29 187)
Salaries and personnel costs	(2 425)	(2 421)	(7 880)	(7 957)	(10 683)
Other operating expenses	(7 231)	(7 051)	(21 174)	(21 892)	(29 000)
Other income and (expenses)	(154)	(270)	(517)	(591)	(868)
EBITDA	9 465	8 549	26 381	24 054	31 980
Depreciation and amortisation	(3 337)	(3 430)	(10 166)	(10 721)	(14 402)
Impairment losses	(122)	(1)	(125)	(3 863)	(7 823)
Operating profit	6 005	5 119	16 090	9 470	9 755
Share of net income from associated companies	1 173	1 094	2 827	2 412	2 785
Gain (loss) on disposal of associated companies	-	6	(359)	6	-
Net financial income (expenses)	(827)	(604)	(1 354)	(1 402)	(1 769)
Profit before taxes	6 351	5 614	17 204	10 484	10 770
Income taxes	(1 677)	(1 564)	(4 497)	(4 400)	(1 743)
Net income	4 675	4 051	12 706	6 084	9 028

Net income attributable to:

Non-controlling interests	758	401	1 939	(216)	219
Equity holders of Telenor ASA	3 917	3 650	10 767	6 301	8 809

Earnings per share in NOK

Basic	2.59	2.34	7.05	4.01	5.63
Diluted	2.58	2.34	7.04	4.00	5.62

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

Consolidated statement of comprehensive income

Telenor Group

(NOK in millions)	3rd quarter		First three quarters		Year
	2013	2012 Restated	2013	2012 Restated	2012 Restated
Net income	4 675	4 051	12 706	6 084	9 028
Translation differences on net investment in foreign operations	1 062	(2 546)	6 675	(2 886)	(4 531)
Income taxes	33	29	70	420	114
Amount reclassified from equity to profit and loss on disposal	-	-	55	14	14
Net gain (loss) on hedge of net investment	(825)	603	(3 076)	810	1 335
Income taxes	231	(169)	863	(227)	(374)
Amount reclassified from equity to profit and loss on disposal	-	-	(7)	-	-
Net gain (loss) on available-for-sale-investment	(7)	(19)	22	10	13
Amount reclassified from equity to profit and loss on disposal	-	-	-	-	5
Share of other comprehensive income (loss) of associated companies	85	80	107	(1 576)	(1 540)
Amount reclassified from equity to profit and loss on disposal	-	-	240	-	-
Items that may be reclassified subsequently to income statement	580	(2 021)	4 949	(3 435)	(4 964)
Remeasurement of defined benefit pension plans	-	-	(536)	-	1 805
Income taxes	-	-	148	-	(504)
Items that will not be reclassified to income statement	-	-	(388)	-	1 301
Other comprehensive income (loss), net of taxes	580	(2 021)	4 562	(3 434)	(3 663)
Total comprehensive income	5 255	2 030	17 268	2 650	5 365
Total comprehensive income (loss) attributable to:					
Non-controlling interests	742	317	2 201	(152)	273
Equity holders of Telenor ASA	4 513	1 714	15 067	2 803	5 092

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

Consolidated statement of financial position

Telenor Group

	30 September 2013	30 June 2013	30 September 2012	31 December 2012
(NOK in millions)			Restated	Restated
Deferred tax assets	4 149	4 236	1 410	4 090
Goodwill	21 241	18 607	21 855	17 682
Intangible assets	32 558	29 379	22 858	28 818
Property, plant and equipment	47 839	45 345	43 288	43 596
Associated companies	38 371	37 239	39 926	39 433
Other non-current assets	4 346	3 878	3 759	4 309
Total non-current assets	148 504	138 683	133 096	137 928
Prepaid taxes	352	243	154	162
Inventories	1 073	1 182	1 150	1 198
Trade and other receivables	18 666	19 051	16 998	18 209
Other financial current assets	924	1 219	2 444	1 567
Assets classified as held for sale	-	-	1	-
Cash and cash equivalents	13 630	16 944	8 908	8 805
Total current assets	34 644	38 639	29 655	29 941
Total assets	183 148	177 321	162 751	167 868
Equity attributable to equity holders of Telenor ASA	74 832	71 296	72 095	73 355
Non-controlling interests	3 410	3 557	3 637	3 057
Total equity	78 243	74 853	75 732	76 412
Non-current interest-bearing liabilities	48 436	47 033	32 504	39 826
Non-current non-interest-bearing liabilities	1 234	1 033	1 210	1 275
Deferred tax liabilities	1 665	1 501	1 545	1 640
Pension obligations	2 157	2 045	3 350	1 497
Other provisions	3 270	3 243	2 929	3 286
Total non-current liabilities	56 762	54 855	41 539	47 523
Current interest-bearing liabilities	9 522	9 126	9 597	10 275
Trade and other payables	32 677	30 452	30 094	28 034
Current tax payables	3 647	2 954	3 673	3 696
Current non-interest-bearing liabilities	1 050	4 105	1 050	651
Provisions and obligations	1 248	977	1 067	1 277
Total current liabilities	48 144	47 613	45 481	43 933
Total equity and liabilities	183 148	177 321	162 751	167 868
Equity ratio including non-controlling interests (%)	42.7	42.2	46.5	45.5
Net interest-bearing liabilities	37 752	31 660	28 597	33 082

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

Consolidated statement of cash flows

Telenor Group

(NOK in millions)	3rd quarter		First three quarters		Year
	2013	2012 Restated	2013	2012 Restated	2012 Restated
Profit before taxes from total operations	6 351	5 614	17 204	10 484	10 770
Income taxes paid	(372)	(1 147)	(4 162)	(4 965)	(6 041)
Net (gains) losses from disposals, impairments and change in fair value of financial assets and liabilities	(188)	(71)	(529)	(520)	(523)
Depreciation, amortisation and impairment losses	3 460	3 431	10 291	14 584	22 225
Loss (profit) from associated companies	(1 173)	(1 100)	(2 467)	(2 417)	(2 785)
Dividends received from associated companies	62	1	6 595	353	354
Currency (gains) losses not related to operating activities	328	17	510	49	110
Changes in other operating working capital assets and liabilities	1 444	119	2 412	1 607	(108)
Net cash flow from operating activities	9 912	6 863	29 853	19 176	24 002
Purchases of property, plant and equipment (PPE) and intangible assets	(4 287)	(3 662)	(9 997)	(10 075)	(16 892)
Purchases of subsidiaries and associated companies, net of cash acquired	(4 540)	(790)	(4 610)	(7 229)	(7 533)
Proceeds from PPE, intangible assets and businesses, net of cash disposed	77	190	206	531	575
Proceeds from and purchases of other investments	260	1 866	693	118	932
Net cash flow from investing activities	(8 491)	(2 395)	(13 708)	(16 656)	(22 918)
Proceeds from and repayments of borrowings	146	(5 041)	3 371	9 635	13 239
Proceeds from issuance of shares, incl. from non-controlling interests in subsidiaries	-	-	6	-	-
Share buyback by Telenor ASA	(3 349)	(2 897)	(3 886)	(2 897)	(4 022)
Repayment of equity and dividends paid to non-controlling interests in subsidiaries	(962)	(1 180)	(2 089)	(4 964)	(6 015)
Dividends paid to equity holders of Telenor ASA	(395)	(330)	(9 239)	(7 925)	(7 925)
Net cash flow from financing activities	(4 560)	(9 447)	(11 837)	(6 151)	(4 723)
Effects of exchange rate changes on cash and cash equivalents	(176)	(59)	517	(361)	(456)
Net change in cash and cash equivalents	(3 315)	(5 038)	4 824	(3 992)	(4 095)
Cash and cash equivalents at the beginning of the period	16 944	13 945	8 805	12 899	12 899
Cash and cash equivalents at the end of the period ¹⁾	13 630	8 908	13 630	8 908	8 805

¹⁾ The first three quarters of 2013 includes restricted cash of NOK 339 million, while the first three quarters of 2012 included restricted cash of NOK 153 million.

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

Consolidated statement of changes in equity

Telenor Group

(NOK in millions)	Attributable to equity holders of the parent					Non-controlling interests	Total equity
	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences	Total		
Equity as of 31 December 2011 - as previously reported	9 574	4 707	75 995	(6 284)	83 992	2 910	86 902
Implementation effect of revised IAS 19 (Note 1)	-	-	(923)	-	(923)	-	(923)
Equity as of 1 January 2012 - restated	9 574	4 707	75 072	(6 284)	83 069	2 910	85 979
Net income for the period	-	-	8 809	-	8 809	219	9 028
Other comprehensive income for the period	-	(222)	-	(3 495)	(3 717)	54	(3 663)
Total comprehensive income for the period	-	(222)	8 809	(3 495)	5 092	273	5 365
Transactions with non-controlling interests	-	(3 267)	-	-	(3 267)	3 553	286
Equity adjustments in associated companies	-	319	-	-	319	-	319
Dividends	-	-	(7 925)	-	(7 925)	(3 678)	(11 603)
Share buyback	(249)	(3 773)	-	-	(4 022)	-	(4 022)
Sale of shares, share issue, and share options to employees	9	80	-	-	89	-	89
Equity as of 31 December 2012	9 334	(2 155)	75 956	(9 779)	73 355	3 057	76 412
Net income for the period	-	-	10 767	-	10 767	1 939	12 706
Other comprehensive income for the period	-	(19)	-	4 319	4 300	261	4 562
Total comprehensive income for the period	-	(19)	10 767	4 319	15 067	2 201	17 268
Transactions with non-controlling interests	-	(259)	-	-	(259)	266	7
Equity adjustments in associated companies	-	(26)	-	-	(26)	-	(26)
Dividends	-	-	(9 239)	-	(9 239)	(2 114)	(11 353)
Share buyback	(209)	(3 789)	-	-	(3 998)	-	(3 998)
Sale of shares, share issue, and share options to employees	2	(69)	-	-	(67)	-	(67)
Equity as of 30 September 2013	9 127	(6 318)	77 483	(5 460)	74 833	3 410	78 243

(NOK in millions)	Attributable to equity holders of the parent					Non-controlling interests	Total equity
	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences	Total		
Equity as of 31 December 2011 - as previously reported	9 574	4 707	75 995	(6 284)	83 992	2 910	86 902
Implementation effect of revised IAS 19 (Note 1)	-	-	(923)	-	(923)	-	(923)
Equity as of 1 January 2012 - restated	9 574	4 707	75 072	(6 284)	83 069	2 910	85 979
Net income for the period	-	-	6 301	-	6 301	(216)	6 084
Other comprehensive income for the period	-	(1 566)	-	(1 932)	(3 498)	64	(3 434)
Total comprehensive income for the period	-	(1 566)	6 301	(1 932)	2 803	(152)	2 650
Transactions with non-controlling interests	-	(3 156)	-	-	(3 156)	3 487	331
Equity adjustments in associated companies	-	327	-	-	327	-	327
Dividends	-	-	(7 925)	-	(7 925)	(2 607)	(10 532)
Share buyback	(198)	(2 873)	-	-	(3 071)	-	(3 071)
Sale of shares, share issue, and share options to employees	7	42	-	-	49	-	49
Equity as of 30 September 2012	9 383	(2 519)	73 447	(8 216)	72 095	3 637	75 732

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 liability 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 nine months ending 30 September 2013, 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 2012. 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 2012, except for implementation of new accounting standards as described below.

For information about the standards and interpretations effective from 1 January 2013, please refer to Note 1 in the Group's Annual report 2012. The group has early adopted the following new and revised standards and interpretations, with effect from 1 January 2013.

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 27 (as revised in 2011) Separate Financial Statements
- IAS 28 (as revised in 2011) Investment in Associates and Joint Ventures

The following standards and interpretations adopted with effect from 1 January 2013 have implementation impact on the Group's consolidated interim financial statements:

- IAS 1 Presentation of Financial statements – amended. The amendment to IAS 1 changes the grouping of items presented in Other Comprehensive Income. Items that may be reclassified (or 'recycled') to profit or loss (when specific conditions are met) are presented separately from items that will never be reclassified. The amendment affects presentation of the Consolidated Statement of Comprehensive Income only and has no impact on the Group's financial position or performance.
- IAS 19 (as revised in 2011) Employee Benefits: The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as: to eliminate the corridor approach and recognise all actuarial gains and losses in Other Comprehensive Income as they occur; to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The changes shall be applied retrospectively and as a consequence, Telenor recognised the impact of these changes as of the date of initial application (1 January 2012) against the opening balance in equity.

Telenor is of the opinion that the presentation of net interest cost element as financial items gives better information of the Group's financial performance and has decided to present net interest amount as financial items in the consolidated income statement. This change is applied retrospectively and the consolidated income statements for 2012 are restated.

The implementation effects of the changes in IAS 19 including the reclassification of the net interest amount are:

(NOK in millions)	As of 1 January 2012	As of 30 September 2012	As of 31 December 2012
Consolidated Statement of Financial Position			
Deferred tax assets	318	316	(194)
Associated companies	(99)	(99)	(99)
Pension obligations	1 142	1 138	(671)
Equity	(923)	(921)	378

(NOK in millions)	Third quarter 2012	First three quarters 2012	Year 2012
Consolidated Income Statement			
Pension costs	23	67	93
Financial expenses	(22)	(63)	(86)
Income taxes	-	(1)	(7)
Net income (loss)	1	3	-

Consolidated Statement of Comprehensive Income			
Net income	1	3	-
Other comprehensive income (loss), net of taxes *)	(2)	(1)	1 301
Total Comprehensive income (loss)	(1)	2	1 301

*) Effect recognised in Other comprehensive income for the year of 2012 due to the change of discount rate used to determine pension obligations as of 31 December 2012. Please refer to Note 27 in the Group's Annual report 2012 for more information about the assumptions used.

- IAS 28 (as revised in 2011) Investment in Associates and Joint Ventures: The changes in IAS 28 scope in joint ventures to be accounted for under equity method and requires that if an investment in an associate becomes an investment in a joint venture or vice versa, the entity shall not remeasure the retained interest. The changes shall be applied retrospectively and as a consequence, the Group's share of fair value gain arising from increase in VimpelCom's stake in Euroset from 49.9% to 50.0% recognised in 2012 (see note 20 in the Group's Annual Report 2012), has been reversed and the consolidated financial statements for 2012 are restated with the following impacts:

(NOK in millions)	2012
Consolidated Statement of Financial Position	
Associated companies	(1 203)
Consolidated Income Statement	
Share of net income from associated companies	(1 258)
Other comprehensive income (loss)	55

Note 2 – Business combinations

Globul – Bulgaria

On 1 August 2013, Telenor acquired 100 % of the voting shares of Cosmo Bulgaria Mobile EAD (Globul) and Germanos Telecom Bulgaria EAD (Germanos), two unlisted companies in Bulgaria, for NOK 5.2 billion. Globul is the second largest mobile operator in Bulgaria, providing mobile, fixed and data transfer to the customer. Germanos is a major commercial partner of Globul and is a leader in the sphere of mobile technology in Bulgaria. The acquisition of Globul and Germanos ("Globul Bulgaria") strengthens Telenor's position in Europe.

The initial purchase price allocation, which was performed with assistance from third-party valuation experts, has been determined to be provisional. The purchase price allocation is provisional pending the finalization of the purchase price consideration and a final assessment of the identifiable net assets. The effect of any changes in the consideration transferred will affect the amount of goodwill recognised. The preliminary fair values of the identifiable assets and liabilities of Globul Bulgaria as at the date of acquisition were:

(NOK in millions)	Preliminary fair values as of acquisition date
Assets	
Customer Base	1 573
Licences	491
Other intangible assets	116
Property, Plant & Equipment	1 496
Other assets	728
Bank and cash balances	678
Total assets	5 082
Liabilities	
Deferred tax liability	184
Non-Current Liabilities	1 095
Current Liabilities	775
Total liabilities	2 054
Net identifiable assets	3 028
Goodwill	2 187
Total consideration for the shares, satisfied by cash	5 215

The fair value of the trade receivables amounts to NOK 248 million. The gross amount of trade receivables is NOK 425 million. It is expected that fair value of the trade receivables will be collected.

The goodwill of NOK 2.2 billion comprises the value of expected synergies arising from the acquisition, including modernisation of the network. None of the goodwill recognised is expected to be deductible for income tax purposes.

For the period between the date of acquisition and 30 September 2013, Globul Bulgaria has contributed NOK 454 million to Revenue and NOK 36 million to Profit before tax of the Group. If the business combination had taken place at the beginning of the year, Revenue would have been NOK 77,894 million and Profit before tax for the Group would have been NOK 17,016 million.

Note 3 – Associated companies

C More

Impairment of associated companies of NOK 0.3 billion is related to C More, in which an impairment was recorded in the second quarter of 2013, mainly due to weaker subscriber development.

VimpelCom

On 16 April 2013, Altimo Cooperatief U.A (“Altimo”) converted its 128.5 million preferred shares into common shares of VimpelCom Ltd. by paying premium of USD 10.84 per share (USD 1.3 billion in total). As a consequence of Altimo’s conversion of preferred shares, Telenor’s economic interest was diluted from 35.7% to 33.0%, whereas Telenor’s voting interest remains unaffected. The deemed disposal of the economic interest in VimpelCom Ltd. resulted in an accounting loss of NOK 385 million recognised in the income statement in the second quarter of 2013.

Note 4 – Income taxes

During the third quarter of 2010, Telenor ASA received a reassessment by the Norwegian tax authorities of its 2006 and 2007 tax returns, concerning gain on a Total Return Swap agreement related to shares in OJSC VimpelCom as the underlying object. Following the receipt of the reassessment Telenor provided for a tax expense of NOK 0.8 billion, which was paid in 2010. Telenor disagreed with the tax authorities’ position and appealed the reassessment.

In the second quarter of 2013, the Tax Appeal Committee (“Skatteklagenemnda”) ruled the 2006-reassessment in Telenor ASA’s favour, due to statute of limitations rules. Telenor ASA was notified a total repayment of NOK 0.5 billion, which was recognised as tax expense reduction and interest income. The repayment was received in July 2013.

Note 5 – Interest-bearing liabilities

Telenor issued two bonds under the EMTN programme on 13 May 2013 of which one EUR 650 million bond with maturity May 2025 and one USD 500 million bond with maturity May 2018.

Note 6 – Fair values of financial instruments

Financial derivatives recognised at fair value in Telenor are measured based on valuation methodologies with inputs that are either directly or indirectly observable (categorised within level 2 in the fair value hierarchy). All financial derivatives are classified as Fair Value Through Profit or Loss. The table below shows the fair value of derivatives as of 30 September 2013 and 31 December 2012. See also note 31 in the Annual Report 2012.

(NOK in millions)	As of 30 September 2013	As of 31 December 2012
Other non-current assets	1 697	2 070
Other financial current assets	270	232
Non-current non-interest-bearing financial liabilities	(431)	(639)
Non-current interest-bearing financial liabilities	(196)	(2)
Current non-interest-bearing liabilities	(400)	(184)
Total - Fair value through profit or loss (FVTPL)*1	941	1 477

*1 Change in fair value does not include fair value adjustment on hedge items, as included in Net change in fair value of financial instruments on page 9.

Note 7 – Pension obligations

In the second quarter of 2013, a new mortality table for collective pension insurance (K-2013) was made public by Finance Norway. Consequently, Telenor has adopted the new mortality assumptions in the second quarter.

Note 8 – Legal disputes

The issues described below are updates compared to information included in the Annual Report 2012 note 35 and have to be read in conjunction with this. No provisions have been made for the legal disputes described in this note.

Grameenphone**BTRC – Audit claim**

On 15 May 2013, the High Court Division extended the stay order for the claim until the final hearing of the appeal.

dtac**Dispute between dtac and CAT regarding revenue sharing payment under Concession Agreement**

On 23 April 2013, CAT filed a new statement of claim to the Arbitration Tribunal requesting for additional revenue sharing for the 18th concession year (16 September 2008 to 15 September 2009) from dtac in the amount of NOK 0.7 billion, plus penalty interest at the rate of 15% p.a.

Note 9 – Transactions with related parties

At the Annual General Meeting on 15 May 2013, redemption of shares owned by the Kingdom of Norway through the Ministry of Trade and Industry was approved. See Annual Report 2012 note 37 for more information.

Note 10 – Events after the balance sheet date

On 28 October 2013, the Board of Directors of DiGi declared the third interim dividend for 2013 of MYR 0.057 per share which corresponds to approximately NOK 0.8 billion total dividend and approximately NOK 0.4 billion for Telenor ownership share.

On 29 October 2013, the Board of Directors of Total Access Communication Public Company Limited (dtac) declared interim dividend for 2013 of THB 1.32 per share which corresponds to approximately NOK 0.6 billion total dividend and approximately NOK 0.4 billion for Telenor ownership share.

Note 11 – Segment table and reconciliation of EBITDA before other income and expenses

Globul – Bulgaria is defined as one separate operating segment from the third quarter of 2013. The other operating segments remain unchanged in the first three quarters of 2013. Nevertheless there have been some structural changes in the composition of the different segments. ABC Startsiden previously reported as a part of Broadcast is reported under Other units from 1 January 2013. The figures for previous periods are reclassified accordingly.

The operations**Third quarter**

(NOK in millions)	Total revenues			of which internal		EBITDA before other income and expenses			
	2013	2012 Restated	Growth	2013	2012	2013	Margin	2012 Restated	Margin
Norway	6 273	6 439	(2.6%)	85	91	2 881	45.9%	2 986	46.4%
Sweden	2 766	2 716	1.9%	41	34	931	33.7%	808	29.7%
Denmark	1 246	1 330	(6.4%)	22	27	302	24.2%	307	23.1%
Hungary	1 020	1 060	(3.8%)	4	6	351	34.4%	321	30.3%
Globul – Bulgaria	454	-	-	-	-	165	36.3%	-	-
Serbia	786	720	9.2%	33	41	310	39.4%	284	39.4%
Montenegro	172	194	(11.3%)	28	22	85	49.3%	110	56.6%
dtac – Thailand	4 069	3 998	1.8%	7	5	1 362	33.5%	1 270	31.8%
DiGi – Malaysia	3 142	2 997	4.8%	1	2	1 417	45.1%	1 349	45.0%
Grameenphone – Bangladesh	1 939	1 660	16.8%	2	-	1 028	53.0%	857	51.6%
Pakistan	1 346	1 373	(2.0%)	1	4	511	37.9%	486	35.4%
India	729	863	(15.6%)	5	-	(140)	nm	(408)	nm
Broadcast	1 680	1 595	5.3%	42	46	570	34.0%	545	34.2%
Other units	1 186	1 198	(1.0%)	585	610	(149)	nm	(90)	nm
Eliminations	(855)	(890)	-	(855)	(890)	(5)	-	(3)	-
Group	25 953	25 253	2.8%	-	-	9 619	37.1%	8 820	34.9%

First three quarters

(NOK in millions)	Total revenues			of which internal		EBITDA before other income and expenses			
	2013	2012 Restated	Growth	2013	2012	2013	Margin	2012 Restated	Margin
Norway	18 589	18 987	(2.1%)	259	286	8 216	44.2%	8 131	42.8%
Sweden	7 977	7 860	1.5%	115	89	2 441	30.6%	2 058	26.2%
Denmark	3 668	4 261	(13.9%)	57	85	777	21.2%	886	20.8%
Hungary	2 930	2 990	(2.0%)	11	16	1 085	37.0%	1 011	33.8%
Globul – Bulgaria	454	-	-	-	-	165	36.3%	-	-
Serbia	2 172	2 049	6.0%	98	105	873	40.2%	806	39.3%
Montenegro	407	458	(10.9%)	59	45	170	41.8%	197	43.0%
dtac – Thailand	13 380	12 287	8.9%	41	19	4 241	31.7%	3 774	30.7%
DiGi – Malaysia	9 283	8 955	3.7%	3	3	4 139	44.6%	4 153	46.4%
Grameenphone – Bangladesh	5 399	4 957	8.9%	7	2	2 740	50.7%	2 628	53.0%
Pakistan	4 065	4 232	(4.0%)	2	13	1 582	38.9%	1 623	38.4%
India	2 165	2 906	(25.5%)	5	1	(478)	nm	(1 654)	nm
Broadcast	4 957	4 882	1.5%	129	139	1 586	32.0%	1 536	31.5%
Other units	3 518	3 576	(1.6%)	1 766	1 870	(620)	nm	(455)	nm
Eliminations	(2 551)	(2 671)	-	(2 551)	(2 671)	(18)	-	(47)	-
Group	76 416	75 728	0.9%	-	-	26 899	35.2%	24 644	32.5%

Reconciliation

(NOK in millions)	3rd quarter		First three quarters		Year
	2013	2012 Restated	2013	2012 Restated	2012 Restated
Net income	4 675	4 051	12 706	6 084	9 028
Income taxes	(1 677)	(1 564)	(4 497)	(4 400)	(1 743)
Profit before taxes	6 351	5 614	17 204	10 484	10 770
Net financial income (expenses)	(827)	(604)	(1 354)	(1 402)	(1 769)
Profit (loss) from associated companies	1 173	1 100	2 467	2 417	2 785
Depreciation and amortisation	(3 337)	(3 430)	(10 166)	(10 721)	(14 402)
Impairment losses	(122)	(1)	(125)	(3 863)	(7 823)
EBITDA	9 465	8 549	26 381	24 054	31 980
Gains (losses) on disposal of fixed assets and operations	56	(21)	9	(99)	(161)
Workforce reductions and loss contracts	(208)	(241)	(523)	(485)	(692)
One-time effects to pension costs	(1)	(9)	(4)	(7)	(16)
EBITDA before other income and expenses	9 619	8 820	26 899	24 644	32 848

EBITDA				Operating profit (loss)			
2013	Margin	2012 Restated	Margin	2013	Margin	2012 Restated	Margin
2 797	44.6%	2 926	45.4%	2 021	32.2%	2 225	34.6%
925	33.4%	768	28.3%	573	20.7%	498	18.4%
290	23.2%	294	22.1%	108	8.6%	117	8.8%
342	33.5%	326	30.7%	246	24.1%	228	21.5%
155	34.0%	-	-	53	11.6%	-	-
311	39.5%	284	39.4%	234	29.8%	213	29.6%
84	48.9%	111	57.0%	75	43.9%	102	52.4%
1 361	33.4%	1 253	31.3%	785	19.3%	812	20.3%
1 419	45.2%	1 348	45.0%	1 008	32.1%	764	25.5%
1 083	55.8%	856	51.6%	789	40.7%	590	35.5%
515	38.2%	467	34.0%	282	21.0%	(95)	nm
(141)	nm	(531)	nm	(143)	nm	(536)	nm
560	33.4%	545	34.2%	420	25.0%	405	25.4%
(231)	nm	(93)	nm	(470)	nm	(207)	nm
(4)	-	(5)	-	23	-	2	-
9 465	36.5%	8 549	33.9%	6 005	23.1%	5 119	20.3%

EBITDA				Operating profit (loss)			
2013	Margin	2012 Restated	Margin	2013	Margin	2012 Restated	Margin
8 025	43.2%	7 982	42.0%	5 743	30.9%	5 927	31.2%
2 404	30.1%	1 927	24.5%	1 389	17.4%	1 085	13.8%
678	18.5%	852	20.0%	140	3.8%	279	6.5%
1 053	35.9%	1 002	33.5%	775	26.4%	700	23.4%
155	34.0%	-	-	53	11.6%	-	-
874	40.2%	806	39.3%	653	30.1%	573	27.9%
169	41.6%	191	41.8%	144	35.4%	161	35.2%
4 168	31.1%	3 758	30.6%	2 552	19.1%	2 484	20.2%
4 143	44.6%	4 161	46.5%	2 731	29.4%	2 319	25.9%
2 793	51.7%	2 618	52.8%	1 953	36.2%	1 808	36.5%
1 589	39.1%	1 547	36.6%	499	12.3%	(260)	nm
(439)	nm	(1 776)	nm	(444)	nm	(5 839)	nm
1 568	31.6%	1 515	31.0%	1 136	22.9%	1 088	22.3%
(791)	nm	(489)	nm	(1 272)	nm	(835)	nm
(8)	-	(40)	-	38	-	(20)	-
26 381	34.5%	24 054	31.8%	16 090	21.1%	9 470	12.5%

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 less 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 traffic) and 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 related to the company's own subscriptions. Revenues from incoming traffic related to service provider or MVNO 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.

Mobile revenues from company's own subscriptions

- consist of 'Subscription and traffic' and 'Interconnect' 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.

Key Figures

Subscriptions

Contract subscriptions are counted until the subscription is terminated or until there has been no revenues or outgoing/incoming traffic during the last three months. 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/multi 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 less data only 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.

Fixed operations

Revenues

Telephony

- consist of subscription and connection fees, 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 and connection fees for xDSL and fibre, subscription fees and traffic charges for Dial Up Internet in addition to revenues from TV services.

Data services

- consist of Nordic Connect/IP-VPN, Global communication and security.

Other

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

Wholesale

- consist of sale to service providers of telephony (PSTN/ISDN), Bitstream, LLUB, national and international interconnect, transit traffic, leased lines and other wholesale products.

Key Figures

Subscriptions

Telephony consist of PSTN, ISDN and VoIP subscriptions.

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

TV consists of TV services over fibre and cable.

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

- consist of revenues from Nordic DTH subscribers, households in SMATV networks and DTT subscribers in Finland.

Satellite Broadcasting

- consist of revenues from satellite services from the satellite position 1 -degree west.

Norkring

- consist of revenues from terrestrial radio and TV transmission in Norway and Belgium.

Conax

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

Other

- consist of revenues from Telenor Media Invest.

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