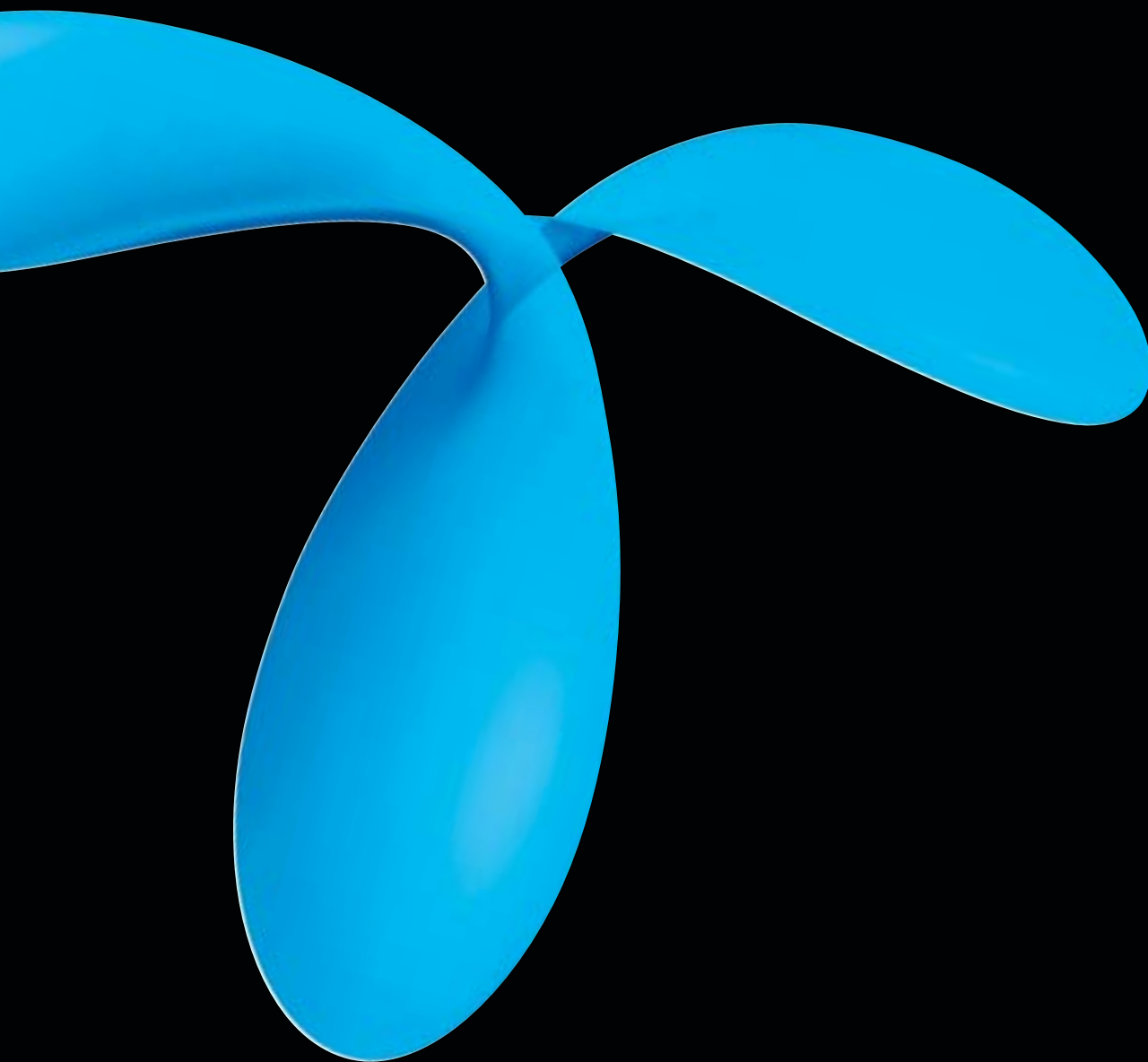
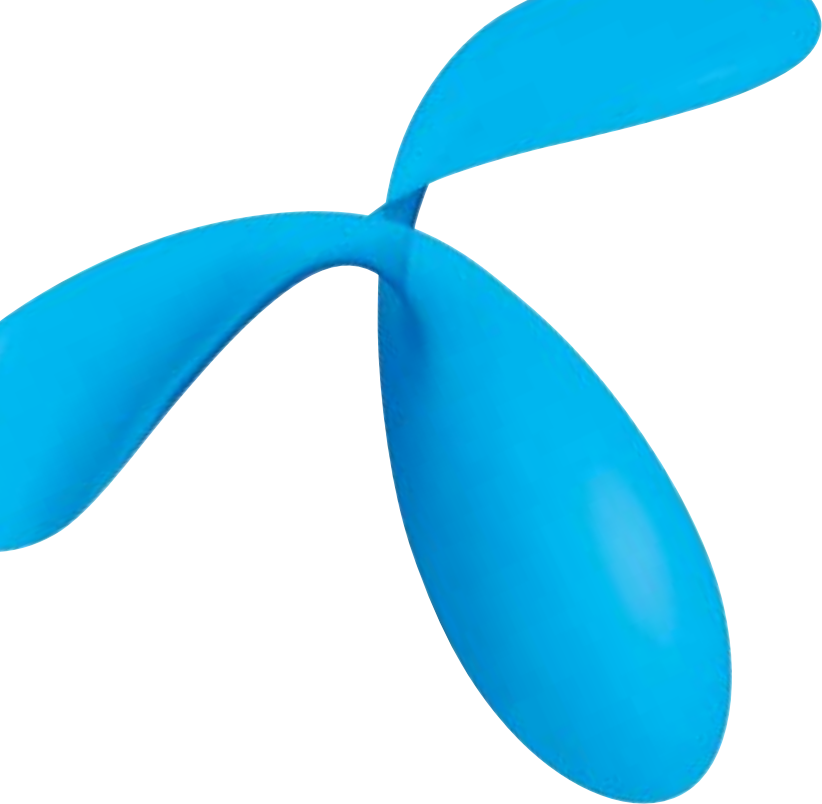


Q4 2009

Interim report January–December 2009





# Contents

|  |    |
|--|----|
| <b>Highlights</b>                                      | 1  |
| <b>Management interim report</b>                       | 2  |
| Telenor's Operations                                   | 2  |
| Group overview   | 9  |
| Outlook for 2010                                       | 11 |
| <b>Condensed interim financial information</b>         | 12 |
| Notes to the consolidated interim financial statements | 16 |
| <b>Definitions</b>                                     | 20 |

# All-time high cash flow of NOK 20 billion

## HIGHLIGHTS

(including Kyivstar and Uninor)

### Fourth quarter 2009

- Organic revenue decline of 1%
- EBITDA margin of 30.9%
- Cash flow margin of 9%
- Earnings per share of NOK 1.51

### Full year 2009

- Organic revenue decline of 1%
- EBITDA margin of 34.5%
- Cash flow margin of 18%
- Earnings per share of NOK 5.42



*Jon Fredrik Baksaas*  
Jon Fredrik Baksaas  
President & CEO

"In 2009 the main focus within the Telenor Group has been to secure market positions while scaling our activities to a challenging business environment. The full year results demonstrate our commitment to these priorities. We had a strong operating cash flow in 2009, and the Nordic region was the main contributor with NOK 10 billion. In spite of weak macro economic conditions, our operations in Central and Eastern Europe have also delivered solid results throughout the year and the Asian operations have shown substantial improvement. By the end of 2009 our mobile operations reached a total of 174 million subscriptions.

The trends we have seen during the year continued into the fourth quarter, with a stable revenue development. In this quarter we report a solid EBITDA margin and are well aligned with our outlook for 2009. There have been improvements in the Asian region, where subscriber growth picked up in all our operations. Telenor in Pakistan continued the positive development and DTAC in Thailand delivered strong results combined with revenue recovery. The listing of Grameenphone in November has been met with overwhelming interest in the market.

Telenor's performance in Norway was strong in 2009, particularly within the mobile area where the demand for mobile broadband was one of the main revenue drivers. The recently announced vendor agreements for mobile

infrastructure in the Nordic region will secure enhanced customer experience and profitability on mobile broadband in the years to come.

The process of combining Kyivstar and OJSC VimpelCom into a leading emerging markets mobile operator, VimpelCom Ltd, is on track. We expect to finalise the transaction around mid 2010.

The successful launch of operations in India in December was a significant milestone for the Group in 2009, marking the completion of the first phase of the Uninor launch activities. Brand awareness and 1 million subscribers within the first weeks of operations provide a good basis for the next launch phase. To develop Uninor according to plan will be among our main priorities in 2010.

As a result of our strong execution in 2009, combined with the fact that we have received dividends from Kyivstar and OJSC VimpelCom of around NOK 5 billion, the Board of Telenor has decided to propose dividends for the year of 2009 of NOK 2.50 per share.

Moving into 2010, the Telenor Group will strive to secure our market positions, while capturing organic growth opportunities. We will continue to implement necessary efficiency measures and provide innovative and viable solutions to our customers."

## KEY FIGURES <sup>1)</sup>

|   | 4th quarter    |        | Year           |         | Year           |
|---|----------------|--------|----------------|---------|----------------|
|   | 2009           | 2008   | 2009           | 2008    | 2009           |
| (NOK in millions except earnings per share)             | Proforma Group |        | Proforma Group |         | Reported Group |
| Revenues  | 26 263         | 29 403 | 106 672        | 109 970 | 97 650         |
| EBITDA before other income and expenses                 | 8 109          | 9 830  | 36 766         | 38 491  | 31 690         |
| EBITDA before other income and expenses/Revenues (%)    | 30.9           | 33.4   | 34.5           | 35.0    | 32.5           |
| Adjusted operating profit                               | 3 928          | 5 338  | 20 081         | 22 640  | 16 373         |
| Adjusted operating profit/Revenues (%)                  | 15.0           | 18.2   | 18.8           | 20.6    | 16.8           |
| Profit after taxes and non-controlling interests        | 2 493          | 1 963  | 8 979          | 13 065  | 8 979          |
| Earnings per share from total operations, basic, in NOK | 1.51           | 1.18   | 5.42           | 7.83    | 5.42           |
| Capex   | 5 798          | 7 239  | 17 123         | 22 715  | 16 107         |
| Capex excl. licences and spectrum                       | 5 798          | 6 754  | 17 123         | 20 680  | 16 107         |
| Capex excl. licences and spectrum/Revenues (%)          | 22.1           | 23.0   | 16.1           | 18.8    | 16.5           |
| Operating cash flow <sup>2)</sup>                       | 2 311          | 3 076  | 19 643         | 17 811  | 15 583         |
| Net interest-bearing liabilities                        |                |        | 25 496         | 39 309  | 26 332         |

## EXTRACT FROM OUTLOOK FOR 2010

Based on the current group structure including Uninor (Kyivstar not included), and using currency rates as of 31 December 2009, Telenor expects low single digit organic revenue <sup>3)</sup> growth. The EBITDA margin before other income and expenses is expected to be 27-28%, while capital expenditure as a proportion of revenues, excluding licences and spectrum, is expected to be 14-16%.

Please refer to page 11 for the full outlook for 2010, and page 20 for definitions.

<sup>1)</sup> Kyivstar was deconsolidated and accounted for as an associated company from 29 December 2006. From the fourth quarter of 2007 Kyivstar resumed its financial reporting to Telenor. Kyivstar's figures are reflected in the line "Profit (loss) from associated companies". Proforma figures for 2008 and 2009, assuming Kyivstar was still consolidated, are included in the table.

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

<sup>3)</sup> Organic revenue is defined as revenue adjusted for the effects of acquisition and disposal of operations and currency effects.

# Management interim report

## Telenor's operations

Unless otherwise stated, the statements below are related to Telenor's development in the fourth quarter of 2009 compared to the fourth quarter of 2008. All comments on EBITDA are made on development in EBITDA before other income and expenses (other items). Please refer to page 9 for comments on other income and expenses.

Additional information is available at: [www.telenor.com/ir](http://www.telenor.com/ir)

On 4 October 2009 Telenor and Altimo entered into an agreement to contribute their respective shareholdings in Kyivstar and OJSC VimpelCom in exchange for shares in a new company, VimpelCom Ltd. The arbitration and court proceedings between the parties relating to OJSC VimpelCom and Kyivstar have now been halted or withdrawn without prejudice, pending closing of the transaction. At the time of closing of the transaction, the current arbitration case and all other pending disputes between the parties will be withdrawn. Furthermore, the withdrawal or cancellation and dismissal of the Farimex case, described under Outlook, Risks and Uncertainties, at no cost or loss to Telenor is a condition to closing of the transaction.

Subject to receiving the required regulatory and other approvals, VimpelCom Ltd. has made an offer whereby OJSC VimpelCom shares and ADRs will be exchanged for Depositary Receipts ("DRs") representing shares in VimpelCom Ltd. (the "Exchange Offer"). Immediately following a successful completion of the Exchange Offer, Telenor and Altimo will contribute their respective shareholdings in Kyivstar in exchange for shares in VimpelCom Ltd. The parties expect to complete the proposed Exchange Offer and the other related transactions by mid-2010, following which VimpelCom Ltd. intends to delist OJSC VimpelCom from the New York Stock Exchange.

Upon completion of both the Exchange Offer and the contribution of Kyivstar shares, Telenor will hold a 38.84% economic ownership in VimpelCom Ltd., while Altimo's economic ownership will be 38.46% and the remaining 22.70% will be free float, assuming 100% acceptance of the Exchange Offer.

VimpelCom Ltd. is incorporated in Bermuda, is headquartered in the Netherlands, and will be listed on the New York Stock Exchange.

### Additional Information related to the Exchange Offer

In connection with the Exchange Offer by VimpelCom Ltd. to acquire all outstanding shares of OJSC VimpelCom, VimpelCom Ltd. has filed with the United States Securities and Exchange Commission (the "SEC") a registration statement on Form F-4, which includes a prospectus and related Exchange Offer acceptance materials, to register shares of VimpelCom Ltd. in exchange for OJSC VimpelCom shares held by U.S. persons and OJSC VimpelCom American Depositary Shares held by all holders, wherever located. Holders of OJSC VimpelCom securities are urged to carefully read the registration statement (including the prospectus), and any other documents relating to the Exchange Offer filed with the SEC, as well as any amendments and supplements to those documents, because they contain important information. Free copies of the registration statement, including the prospectus and related Exchange Offer acceptance materials, and other relevant documents filed with the SEC in respect of the Exchange Offer, can be obtained at the SEC's website at [www.sec.gov](http://www.sec.gov) or from VimpelCom Ltd. at its website at [www.vimpelcomlimited.com](http://www.vimpelcomlimited.com).

## NORDIC

### Telenor Mobile – Norway

| (NOK in millions)                                   | 4th quarter  |              | Year          |               |
|---|--------------|--------------|---------------|---------------|
|   | 2009         | 2008         | 2009          | 2008          |
| <b>Revenues</b>                                     |              |              |               |               |
| Subscription and traffic                            | 2 427        | 2 300        | 9 497         | 9 154         |
| Interconnect revenues                               | 435          | 458          | 1 812         | 1 841         |
| Other mobile revenues                               | 395          | 398          | 1 560         | 1 390         |
| Non-mobile revenues                                 | 274          | 144          | 773           | 492           |
| <b>Total revenues</b>                               | <b>3 531</b> | <b>3 300</b> | <b>13 642</b> | <b>12 877</b> |
| <b>EBITDA before other items</b>                    | <b>1 270</b> | <b>1 135</b> | <b>5 227</b>  | <b>4 610</b>  |
| <b>Operating profit</b>                             | <b>933</b>   | <b>914</b>   | <b>4 201</b>  | <b>3 774</b>  |
| <b>EBITDA before other items/Total revenues (%)</b> | <b>36.0</b>  | <b>34.4</b>  | <b>38.3</b>   | <b>35.8</b>   |
| Capex   | 213          | 345          | 807           | 994           |
| Investments in businesses                           | -            | 29           | -             | 29            |
| <b>No. of subscriptions (in thousands):</b>         |              |              |               |               |
| – Change in quarter/Total                           | 25           | 38           | 3 002         | 2 893         |
| ARPU – monthly (NOK)                                | 320          | 320          | 321           | 327           |

- The total number of voice and stand alone data subscriptions increased by 25,000 during the quarter, resulting in an estimated voice subscription market share stable at 53%. The total number of mobile broadband subscriptions increased by 32,000 to 299,000 and the estimated market share remained stable at 61%.
- Total revenues increased by 7%, mainly due to higher handset sales and a larger subscription base.
- EBITDA increased as a result of increased revenues and stable operating expenses, being only partly offset by increased costs related to handset sales.
- Capital expenditure in the quarter was primarily related to mobile and HSDPA network, however at a lower pace than last year. Accelerated depreciation will be applied to the existing network equipment in the fourth quarter and into 2011.



## Fixed – Norway

| (NOK in millions)         | 4th quarter  |              | Year          |               |
|---------------------------|--------------|--------------|---------------|---------------|
|                           | 2009         | 2008         | 2009          | 2008          |
| <b>Revenues</b>           |              |              |               |               |
| Telephony                 | 1 043        | 1 132        | 4 294         | 4 678         |
| xDSL/Internet             | 682          | 673          | 2 735         | 2 674         |
| Data services             | 160          | 175          | 663           | 712           |
| Other                     | 438          | 463          | 1 599         | 1 379         |
| <b>Total retail</b>       | <b>2 323</b> | <b>2 443</b> | <b>9 291</b>  | <b>9 443</b>  |
| Wholesale                 | 1 214        | 1 357        | 5 118         | 5 264         |
| <b>Total revenues</b>     | <b>3 537</b> | <b>3 800</b> | <b>14 409</b> | <b>14 707</b> |
| EBITDA before other items | 1 229        | 1 301        | 5 250         | 5 279         |
| <b>Operating profit</b>   | <b>693</b>   | <b>752</b>   | <b>3 225</b>  | <b>3 009</b>  |

|  |      |      |       |       |
|--|------|------|-------|-------|
| EBITDA before other items/Total revenues (%) | 34.7 | 34.2 | 36.4  | 35.9  |
| Capex  | 461  | 538  | 1 790 | 2 071 |
| Investments in businesses                    | 3    | -    | 8     | 212   |

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

|                 |      |      |       |       |
|-----------------|------|------|-------|-------|
| Telephony       | (26) | (22) | 1 192 | 1 301 |
| – of which PSTN | (14) | (14) | 779   | 841   |
| – of which ISDN | (12) | (11) | 271   | 317   |
| – of which VoIP | -    | 3    | 142   | 143   |
| xDSL            | (6)  | (3)  | 623   | 647   |

- Telenor's estimated market share for telephony, measured in traffic minutes, was stable at 59%. Telenor's total estimated subscription market share for broadband in the retail market increased slightly to 51%, despite a small decrease in xDSL subscriptions.
- Telephony revenues decreased due to continued reduction in the number of subscriptions and traffic per subscription. The decline in the number of subscriptions was slightly lower than previous quarters.
- Broadband revenues increased following a 7% increase in ARPU, only partly offset by a decrease in the number of subscriptions.
- Decrease in telephony and internet revenues was partly offset by a moderate increase in revenues from broadband and leased lines. Wholesale revenues decreased by 11% due to lower revenues from international interconnect and transit traffic following negative exchange rate impact and lower prices.
- EBITDA decreased as declining revenues were partly offset by lower operating expenses, particularly due to lower operating and maintenance costs.
- Capital expenditure in the quarter was primarily related to network roll-out and maintenance. Capital expenditure decreased compared to last year primarily due to reduced investments in IS/IT. Investments in fibre roll-out increased compared to last year, while investments in core network were lower than in 2008.

## Telenor Sweden

| (NOK in millions)                      | 4th quarter  |              | Year         |              |
|--|--------------|--------------|--------------|--------------|
|  | 2009         | 2008         | 2009         | 2008         |
| <b>Revenues mobile operation</b>       |              |              |              |              |
| Subscription and traffic               | 1 082        | 1 120        | 4 308        | 4 452        |
| Interconnect revenues                  | 188          | 211          | 792          | 863          |
| Other mobile revenues                  | 52           | 81           | 288          | 398          |
| Non-mobile revenues                    | 282          | 214          | 902          | 647          |
| <b>Total revenues mobile operation</b> | <b>1 604</b> | <b>1 626</b> | <b>6 290</b> | <b>6 360</b> |
| <b>Revenues fixed operation</b>        | <b>672</b>   | <b>818</b>   | <b>2 826</b> | <b>3 258</b> |
| Eliminations                           | (19)         | (34)         | (85)         | (86)         |
| <b>Total revenues</b>                  | <b>2 257</b> | <b>2 410</b> | <b>9 031</b> | <b>9 532</b> |
| EBITDA before other items              | 529          | 511          | 1 959        | 2 040        |
| <b>Operating profit (loss)</b>         | <b>(45)</b>  | <b>(35)</b>  | <b>(185)</b> | <b>(149)</b> |

|  |      |      |      |       |
|--|------|------|------|-------|
| EBITDA before other items/Total revenues (%) | 23.4 | 21.2 | 21.7 | 21.4  |
| Capex  | 237  | 356  | 825  | 1 528 |
| Investments in businesses                    | -    | -    | 1    | 12    |

|                             |     |     |     |     |
|-----------------------------|-----|-----|-----|-----|
| Mobile ARPU – monthly (NOK) | 218 | 237 | 221 | 238 |
|-----------------------------|-----|-----|-----|-----|

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

|                 |      |      |       |       |
|-----------------|------|------|-------|-------|
| Mobile          | 12   | 63   | 1 970 | 1 900 |
| Telephony       | (13) | (6)  | 419   | 438   |
| – of which PSTN | (14) | (11) | 171   | 214   |
| – of which VoIP | 1    | 5    | 248   | 224   |
| xDSL            | (15) | (8)  | 388   | 438   |
| LAN             | 1    | -    | 186   | 182   |

|               |        |        |
|---------------|--------|--------|
| Exchange rate | 0.8223 | 0.8548 |
|---------------|--------|--------|

- The number of mobile subscriptions increased by 12,000 during the quarter driven by a continued growth in the number of mobile broadband customers. The estimated mobile subscription market share was stable at 17%. The total number of mobile broadband subscriptions increased by 22,000 to 262,000.
- Fixed broadband subscriptions was 574,000 by the end of the quarter. The estimated subscription market share for fixed broadband in the consumer market decreased slightly to 20%.
- Mobile revenues in local currency increased by 6% mainly due to higher handset sales and increased retail revenues, partly offset by lower roaming and interconnect revenues. Interconnect rates and roaming charges were reduced from 1 July 2009.
- Fixed revenues in local currency decreased by 11% driven by the reduction in number of telephony and broadband subscriptions and lower telephony ARPU.
- The EBITDA margin increased by 2 percentage points mainly due to lower sales and marketing expenses.
- Capital expenditure in the fourth quarter was mainly spent on capacity upgrades. Compared to last year capital expenditure was considerably lower, driven by reductions in network and IS/IT investments.

## Telenor Denmark

| (NOK in millions)                      | 4th quarter  |              | Year         |              |
|--|--------------|--------------|--------------|--------------|
|  | 2009         | 2008         | 2009         | 2008         |
| <b>Revenues mobile operation</b>       |              |              |              |              |
| Subscription and traffic               | 930          | 963          | 3 863        | 3 449        |
| Interconnect revenues                  | 366          | 392          | 1 498        | 1 420        |
| Other mobile revenues                  | 88           | 118          | 383          | 431          |
| Non-mobile revenues                    | 127          | 126          | 515          | 514          |
| <b>Total revenues mobile operation</b> | <b>1 511</b> | <b>1 599</b> | <b>6 259</b> | <b>5 814</b> |
| <b>Revenues fixed operation</b>        | <b>359</b>   | <b>489</b>   | <b>1 618</b> | <b>1 904</b> |
| Eliminations                           | (15)         | (13)         | (64)         | (91)         |
| <b>Total revenues</b>                  | <b>1 855</b> | <b>2 075</b> | <b>7 813</b> | <b>7 627</b> |
| <br>                                   |              |              |              |              |
| EBITDA before other items              | 488          | 516          | 1 899        | 1 793        |
| <b>Operating profit</b>                | <b>63</b>    | <b>102</b>   | <b>284</b>   | <b>441</b>   |

|  |      |      |      |       |
|--|------|------|------|-------|
| EBITDA before other items/Total revenues (%) | 26.3 | 24.9 | 24.3 | 23.5  |
| Capex  | 147  | 429  | 928  | 1 290 |
| Investments in businesses                    | -    | -    | 111  | -     |

|                             |     |     |     |     |
|-----------------------------|-----|-----|-----|-----|
| Mobile ARPU – monthly (NOK) | 213 | 251 | 231 | 234 |
|-----------------------------|-----|-----|-----|-----|

| No. of subscriptions – Change in quarter/Total (in thousands): |      |      |       |       |
|--|------|------|-------|-------|
| Mobile   | 20   | 30   | 2 038 | 1 813 |
| Telephony  | (13) | (7)  | 271   | 326   |
| – of which PSTN  | (9)  | (16) | 143   | 192   |
| – of which VoIP  | (4)  | 9    | 128   | 134   |
| xDSL   | (3)  | (10) | 259   | 272   |

|               |  |  |        |        |
|---------------|--|--|--------|--------|
| Exchange rate |  |  | 1.1722 | 1.1024 |
|---------------|--|--|--------|--------|

- The number of mobile subscriptions increased by 20,000 during the quarter, following a successful mobile broadband campaign during the fourth quarter. The estimated mobile subscription market share remained stable at 28%. The total number of mobile broadband subscriptions increased by 45,000 to 115,000.
- The xDSL subscription base is down slightly from last quarter ending at 259,000.
- Mobile ARPU in local currency decreased by 10%, mainly as a consequence of regulation of interconnect and roaming charges, combined with an increased proportion of lower ARPU prepaid customers and a continuous price pressure in the business segment. Interconnect rates were reduced from 1 May 2009 and roaming charges were reduced from 1 July 2009.
- Total revenues in local currency decreased by 5%. Mobile revenues were stable compared to last year as lower ARPU was offset by a 12% increase in the subscription base. Fixed revenues decreased by 22%, as a result of a declining PSTN subscription base and continuous price pressure in the xDSL market.
- The EBITDA margin improved from last year following an increased focus on cost efficiency offsetting the decline in revenues.
- Capital expenditure in local currency was reduced primarily due to high investments in the fourth quarter last year related to signing of a large vendor contract. In addition, investments were lower than usual, awaiting the building of a next generation high quality network.

## CENTRAL AND EASTERN EUROPE

### Kyivstar – Ukraine

| (NOK in millions)                            | 4th quarter  |              | Year         |               |
|--|--------------|--------------|--------------|---------------|
|  | 2009         | 2008         | 2009         | 2008          |
| <b>Revenues</b>                              |              |              |              |               |
| Subscription and traffic                     | 1 512        | 2 748        | 6 839        | 10 607        |
| Interconnect revenues                        | 478          | 739          | 1 887        | 2 911         |
| Other mobile revenues                        | 39           | 12           | 150          | 171           |
| Non-mobile revenues                          | 51           | 54           | 171          | 145           |
| <b>Total revenues</b>                        | <b>2 080</b> | <b>3 553</b> | <b>9 047</b> | <b>13 834</b> |
| <br>   |              |              |              |               |
| EBITDA before other items                    | 1 057        | 1 808        | 5 076        | 8 058         |
| <b>Operating profit</b>                      | <b>669</b>   | <b>1 169</b> | <b>3 608</b> | <b>6 077</b>  |
| <br>   |              |              |              |               |
| EBITDA before other items/Total revenues (%) | 50.8         | 50.9         | 56.1         | 58.2          |
| Capex  | 231          | 866          | 1 016        | 2 096         |

| No. of subscriptions (in thousands): |       |    |        |        |
|--------------------------------------|-------|----|--------|--------|
| – Change in quarter/Total            | (263) | 75 | 22 022 | 23 531 |
| ARPU – monthly (NOK)                 | 30    | 50 | 32     | 48     |
| Exchange rate                        |       |    | 0.7807 | 1.0794 |

The figures for Kyivstar are included under associated companies. At the end of the fourth quarter of 2009 Telenor's ownership interest in Kyivstar was 56.5%. The Kyivstar figures in this interim report are unaudited.

- Kyivstar maintained its position as the market leader in Ukraine, with an estimated revenue market share of around 50%.
- The number of subscriptions decreased by 263,000 during the quarter mainly due to churn of summer tourists and churn in the youth segment. Retention activities launched in the youth segment have contributed to stabilised churn over the last two quarters of 2009. The estimated subscription market share remained stable at around 40%.
- ARPU in local currency decreased by 8%, mainly reflecting the current macroeconomic situation, however compared to the previous quarters this year, ARPU remained stable.
- Total revenues in local currency decreased by 11% primarily due to lower ARPU and the decrease in subscription base. This was slightly offset by the reversal of a portion of the one-time corrections made to interconnect revenues in the third quarter.
- Despite the revenues decline, Kyivstar managed to maintain a strong EBITDA margin.
- Capital expenditure in the fourth quarter was mainly spent on capacity upgrades. Compared to last year there was a decrease in investments as a result of adjusting network investments to subscription and traffic development.

## Pannon – Hungary

| (NOK in millions)                | 4th quarter  |              | Year         |              |
|----------------------------------|--------------|--------------|--------------|--------------|
|                                  | 2009         | 2008         | 2009         | 2008         |
| <b>Revenues</b>                  |              |              |              |              |
| Subscription and traffic         | 1 018        | 1 161        | 4 117        | 4 404        |
| Interconnect revenues            | 290          | 389          | 1 141        | 1 421        |
| Other mobile revenues            | 14           | 4            | 76           | 84           |
| Non-mobile revenues              | 62           | 87           | 190          | 250          |
| <b>Total revenues</b>            | <b>1 384</b> | <b>1 641</b> | <b>5 524</b> | <b>6 159</b> |
| <b>EBITDA before other items</b> | <b>490</b>   | <b>601</b>   | <b>2 289</b> | <b>2 516</b> |
| <b>Operating profit</b>          | <b>301</b>   | <b>408</b>   | <b>1 566</b> | <b>1 800</b> |

|  |      |      |      |      |
|--|------|------|------|------|
| EBITDA before other items/Total revenues (%) | 35.4 | 36.6 | 41.4 | 40.9 |
| Capex  | 117  | 203  | 420  | 600  |

### No. of subscriptions (in thousands):

|                           |     |     |        |        |
|---------------------------|-----|-----|--------|--------|
| – Change in quarter/Total | 69  | 256 | 3 611  | 3 731  |
| ARPU – monthly (NOK)      | 122 | 143 | 122    | 140    |
| Exchange rate             |     |     | 0.0312 | 0.0327 |

- The number of subscriptions increased by 69,000 during the quarter, mainly due to year end campaigns. The subscription market share remained stable at 33%.
- ARPU decreased by 7% in local currency as reduced interconnect rates from 1 January 2009 and more cost conscious consumers following the VAT increase from 1 July 2009, more than offset positive effects of increased usage and increased subscription fees from a higher contract ratio.
- Total revenues in local currency decreased by 9% following the reduction in ARPU, fewer subscriptions compared to last year and reduced handset sales.
- EBITDA in local currency decreased due to the reduction in revenues and an increase in operating expenses only partly offset by lower interconnect rates and handset costs. When excluding a one-time reversal of universal service obligation provision in the fourth quarter last year, operating expenses decreased by 3% following reduced sales and marketing activities and operation and maintenance expenses.
- Capital expenditure in the quarter was aligned with trends in traffic volumes and was mainly related to mobile broadband.

## Telenor – Serbia

| (NOK in millions)                | 4th quarter |            | Year           |              |
|----------------------------------|-------------|------------|----------------|--------------|
|                                  | 2009        | 2008       | 2009           | 2008         |
| <b>Revenues</b>                  |             |            |                |              |
| Subscription and traffic         | 488         | 585        | 2 141          | 2 277        |
| Interconnect revenues            | 145         | 178        | 605            | 663          |
| Other mobile revenues            | 32          | 43         | 84             | 145          |
| Non-mobile revenues              | 60          | 28         | 119            | 81           |
| <b>Total revenues</b>            | <b>725</b>  | <b>834</b> | <b>2 949</b>   | <b>3 166</b> |
| <b>EBITDA before other items</b> | <b>274</b>  | <b>411</b> | <b>1 202</b>   | <b>1 433</b> |
| <b>Operating profit</b>          | <b>136</b>  | <b>218</b> | <b>(1 417)</b> | <b>737</b>   |

|  |      |      |      |      |
|--|------|------|------|------|
| EBITDA before other items/Total revenues (%) | 37.8 | 49.3 | 40.8 | 45.3 |
| Capex  | 92   | 211  | 290  | 517  |
| Investments in businesses                    | -    | -    | 31   | -    |

### No. of subscriptions (in thousands):

|                           |      |    |        |        |
|---------------------------|------|----|--------|--------|
| – Change in quarter/Total | (19) | 67 | 2 843  | 2 844  |
| ARPU – monthly (NOK)      | 74   | 91 | 80     | 89     |
| Exchange rate             |      |    | 0.0929 | 0.1010 |

Telenor Serbia is part of 'Other mobile operations' in Note 7.

- The number of subscriptions decreased by 19,000 during the quarter. The subscription market share decreased slightly to 34%.
- Revenues in local currency increased by 2% mainly driven by higher handset sales and increased subscription revenues, only partly offset by decreased voice and roaming revenues.
- EBITDA in local currency decreased by 21% due to increased handset and personnel costs, as well as sales and marketing expenses.
- Investments in the quarter were mainly related to voice and data capacity as well as network and IT efficiency. Compared to last year, capital expenditure decreased mainly due to high investments in 3G coverage last year.

## Promonte – Montenegro

| (NOK in millions)                                   | 4th quarter |             | Year        |             |
|---|-------------|-------------|-------------|-------------|
|   | 2009        | 2008        | 2009        | 2008        |
| <b>Revenues</b>                                     | <b>154</b>  | <b>188</b>  | <b>731</b>  | <b>775</b>  |
| <b>EBITDA before other items</b>                    | <b>54</b>   | <b>72</b>   | <b>311</b>  | <b>326</b>  |
| <b>Operating profit</b>                             | <b>14</b>   | <b>43</b>   | <b>201</b>  | <b>157</b>  |
| <b>EBITDA before other items/Total revenues (%)</b> | <b>35.1</b> | <b>38.3</b> | <b>42.5</b> | <b>42.1</b> |
| <b>Capex</b>  | <b>21</b>   | <b>13</b>   | <b>46</b>   | <b>67</b>   |

### No. of subscriptions (in thousands):

|                           |      |       |        |        |
|---------------------------|------|-------|--------|--------|
| – Change in quarter/Total | (38) | (102) | 465    | 431    |
| Exchange rate             |      |       | 8.7285 | 8.2194 |

Promonte is part of 'Other mobile operations' in Note 7.

- The number of subscriptions decreased by 38,000 during the quarter due to the seasonally high disconnections in the prepaid segment following sales peak in the tourist season. At the end of the quarter the subscription market share remained at 37%.
- Revenues in local currency decreased by 11% mainly due to lower prepaid revenues following heavy competition and widespread on-net offers and EBITDA in local currency decreased by 16% as a direct consequence.
- Capex in the fourth quarter included the first part of the roll-out related to the ongoing network replacement. Accelerated depreciation will be applied to the old network equipment in the fourth quarter and the upcoming two quarters.



## ASIA

### DTAC – Thailand

| (NOK in millions)                            | 4th quarter  |              | Year          |               |
|--|--------------|--------------|---------------|---------------|
|  | 2009         | 2008         | 2009          | 2008          |
| <b>Revenues</b>                              |              |              |               |               |
| Subscription and traffic                     | 2 162        | 2 338        | 8 998         | 8 331         |
| Interconnect revenues                        | 599          | 727          | 2 540         | 2 738         |
| Other mobile revenues                        | 96           | 150          | 391           | 849           |
| Non-mobile revenues                          | 43           | 26           | 115           | 82            |
| <b>Total revenues</b>                        | <b>2 900</b> | <b>3 241</b> | <b>12 044</b> | <b>12 000</b> |
| EBITDA before other items                    | 953          | 913          | 3 689         | 3 980         |
| <b>Operating profit</b>                      | <b>580</b>   | <b>505</b>   | <b>2 108</b>  | <b>2 635</b>  |
| EBITDA before other items/Total revenues (%) | 32.9         | 28.2         | 30.6          | 33.2          |
| Capex  | 343          | 512          | 1 089         | 1 921         |
| Investments in businesses                    | -            | 1            | -             | 26            |
| <b>No. of subscriptions (in thousands):</b>  |              |              |               |               |
| – Change in quarter/Total                    | 386          | 469          | 19 657        | 18 682        |
| ARPU – monthly (NOK)                         | 47           | 55           | 50            | 53            |
| Exchange rate                                |              |              | 0.1829        | 0.1703        |

At the end of the fourth quarter of 2009, Telenor's economic stake in DTAC was 65.5%.

- The number of subscriptions increased by 386,000 during the quarter and the estimated subscription market share remained stable at around 30%.
- In local currency, total revenues increased by 3% mainly driven by increased on-net revenues and higher handset sales.
- EBITDA in local currency increased significantly as a result of increased revenues, improved gross margin from improved interconnect balance and lower administrative expenses.
- Capital expenditure was driven by network coverage investments, increased investments in IT capacity and a new call centre application.

### DiGi – Malaysia

| (NOK in millions)                            | 4th quarter  |              | Year         |              |
|--|--------------|--------------|--------------|--------------|
|  | 2009         | 2008         | 2009         | 2008         |
| <b>Revenues</b>                              |              |              |              |              |
| Subscription and traffic                     | 1 803        | 2 041        | 7 577        | 7 109        |
| Interconnect revenues                        | 221          | 239          | 946          | 804          |
| Other mobile revenues                        | 22           | 30           | 101          | 103          |
| Non-mobile revenues                          | 36           | 29           | 119          | 96           |
| <b>Total revenues</b>                        | <b>2 082</b> | <b>2 339</b> | <b>8 743</b> | <b>8 112</b> |
| EBITDA before other items                    | 882          | 1 023        | 3 791        | 3 666        |
| <b>Operating profit</b>                      | <b>564</b>   | <b>721</b>   | <b>2 466</b> | <b>2 575</b> |
| EBITDA before other items/Total revenues (%) | 42.4         | 43.7         | 43.4         | 45.2         |
| Capex  | 387          | 762          | 1 279        | 2 675        |
| <b>No. of subscriptions (in thousands):</b>  |              |              |              |              |
| – Change in quarter/Total                    | 327          | 259          | 7 720        | 7 062        |
| ARPU – monthly (NOK)                         | 88           | 110          | 98           | 99           |
| Exchange rate                                |              |              | 1.7809       | 1.6850       |

At the end of the fourth quarter of 2009 Telenor's ownership interest in DiGi was 49.0%.

- The number of subscriptions increased by 327,000 during the quarter.
- ARPU measured in local currency decreased by 9% compared to last year primarily due to increased price competition, in particular on international calls.
- Total revenues in local currency increased by 1% mainly due to a higher subscription base, partly offset by lower ARPU.
- EBITDA in local currency decreased mainly as a result of increased provision for bad debt and higher operating expenses to cater for the 3G/broadband expansion.
- Capital expenditures decreased due to procurement savings, efficient use of assets and stringent prioritisation.





## Grameenphone – Bangladesh

| (NOK in millions)                | 4th quarter  |              | Year         |              |
|----------------------------------|--------------|--------------|--------------|--------------|
|                                  | 2009         | 2008         | 2009         | 2008         |
| <b>Revenues</b>                  |              |              |              |              |
| Subscription and traffic         | 1 237        | 1 374        | 5 276        | 4 486        |
| Interconnect revenues            | 121          | 247          | 593          | 536          |
| Other mobile revenues            | 4            | 4            | 16           | 14           |
| Non-mobile revenues              | 16           | 2            | 62           | 13           |
| <b>Total revenues</b>            | <b>1 378</b> | <b>1 627</b> | <b>5 947</b> | <b>5 049</b> |
| <b>EBITDA before other items</b> | <b>717</b>   | <b>924</b>   | <b>3 390</b> | <b>2 342</b> |
| <b>Operating profit</b>          | <b>366</b>   | <b>525</b>   | <b>1 879</b> | <b>1 111</b> |

|  |      |       |      |       |
|--|------|-------|------|-------|
| EBITDA before other items/Total revenues (%) | 52.0 | 56.8  | 57.0 | 46.4  |
| Capex  | 349  | 1 144 | 944  | 2 258 |

### No. of subscriptions (in thousands):

|                           |       |     |        |        |
|---------------------------|-------|-----|--------|--------|
| – Change in quarter/Total | 1 274 | 164 | 23 259 | 20 993 |
| ARPU – monthly (NOK)      | 20    | 26  | 23     | 22     |
| Exchange rate             |       |     | 0.0910 | 0.0822 |

At the end of the fourth quarter of 2009, Telenor's ownership interest in Grameenphone was 55.8%.

- The number of subscriptions increased by 1,274,000 during the quarter as a result of successful start-up campaigns. The subscription market share remained at 44%.
- ARPU in local currency decreased by 9% mainly due to reduced interconnect rates from 26 March 2009 defined by the regulator, combined with an increased share of low ARPU customers.
- In local currency, total revenues remained stable. However, when adjusting for a one-time recognition of arrear interconnect revenues in fourth quarter of 2008, total revenues this quarter increased by 3% due to increase in subscription and traffic revenues partly offset by reduced interconnect revenues from both local and international calls.
- The EBITDA margin declined compared to last quarter mainly due to higher subscription acquisition costs as a result of high gross sales following high SIM tax subsidy levels related to festivity season campaigns.
- Capital expenditure increased in the fourth quarter mainly due to fulfilment of existing contracts for additional network equipment. Compared to last year investments were significantly lower due to adjustments to current traffic demands. In addition, the 2008 figures included approximately NOK 485 million for additional 2G frequencies.
- After completing the process of the largest initial public offering (IPO) so far in Bangladesh's history, Grameenphone was listed on the Dhaka and Chittagong stock exchanges. Trading of the Grameenphone share commenced on 16 November 2009. The share was offered at BDT 70. On 30 December 2009 the trading price closed at BDT 187.5 on the Dhaka Stock Exchange. Grameenphone's shareholding structure following the IPO is 55.8% to Telenor, 34.2% to Grameen Telecom and 10% to general retail and institutional investors.

## Telenor – Pakistan

| (NOK in millions)                | 4th quarter  |              | Year         |              |
|----------------------------------|--------------|--------------|--------------|--------------|
|                                  | 2009         | 2008         | 2009         | 2008         |
| <b>Revenues</b>                  |              |              |              |              |
| Subscription and traffic         | 833          | 898          | 3 486        | 3 243        |
| Interconnect revenues            | 175          | 191          | 733          | 691          |
| Other mobile revenues            | 1            | 6            | 14           | 18           |
| Non-mobile revenues              | 49           | 14           | 117          | 59           |
| <b>Total revenues</b>            | <b>1 058</b> | <b>1 109</b> | <b>4 350</b> | <b>4 011</b> |
| <b>EBITDA before other items</b> | <b>309</b>   | <b>225</b>   | <b>1 055</b> | <b>709</b>   |
| <b>Operating profit (loss)</b>   | <b>(71)</b>  | <b>(127)</b> | <b>(267)</b> | <b>(310)</b> |

|  |      |       |       |       |
|--|------|-------|-------|-------|
| EBITDA before other items/Total revenues (%) | 29.2 | 20.3  | 24.3  | 17.7  |
| Capex  | 603  | 1 249 | 1 325 | 3 061 |
| Investments in businesses                    | -    | 95    | -     | 95    |

### No. of subscriptions (in thousands):

|                           |     |     |        |        |
|---------------------------|-----|-----|--------|--------|
| – Change in quarter/Total | 842 | 916 | 22 501 | 19 388 |
| ARPU – monthly (NOK)      | 15  | 19  | 17     | 19     |
| Exchange rate             |     |     | 0.0771 | 0.0796 |

- The number of subscriptions increased by 842,000 during the quarter, resulting in an increase in subscription market share to 23%.
- ARPU in local currency decreased by 3% compared to last year as both average usage and prices declined due to intense competition and reduced interconnect rates from 1 January 2009.
- In local currency, total revenues increased by 17% as a result of a subscription growth of more than 3 million compared to last year, partially offset by lower ARPU.
- EBITDA increased mainly due to higher revenues. The EBITDA margin of 29% was the highest quarterly EBITDA margin reported so far by Telenor Pakistan. EBITDA was positively affected by decommissioning of leased lines and reduced energy cost.
- Capital expenditure continued to be aligned with current development in subscription base and traffic volumes.

## Uninor – India

| (NOK in millions)                | 4th quarter  |          | Year         |          |
|----------------------------------|--------------|----------|--------------|----------|
|                                  | 2009         | 2008     | 2009         | 2008     |
| <b>Revenues</b>                  | <b>3</b>     | <b>-</b> | <b>3</b>     | <b>-</b> |
| <b>EBITDA before other items</b> | <b>(677)</b> | <b>-</b> | <b>(906)</b> | <b>-</b> |
| <b>Operating profit</b>          | <b>(755)</b> | <b>-</b> | <b>(985)</b> | <b>-</b> |

|  |       |   |       |   |
|--|-------|---|-------|---|
| EBITDA before other items/Total revenues (%) | nm    | - | nm    | - |
| Capex  | 1 196 | - | 3 696 | - |
| Investments in businesses                    | -     | - | 17    | - |

### No. of subscriptions (in thousands):

|                           |       |   |        |   |
|---------------------------|-------|---|--------|---|
| – Change in quarter/Total | 1 008 | - | 1 008  | - |
| Exchange rate             |       |   | 0.1298 | - |

At the end of the fourth quarter of 2009 Telenor's ownership interest in Uninor was 49.0%. Uninor is part of 'Other mobile operations' in Note 7.

- On 3 December 2009, Uninor launched operations in Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, Bihar, Uttar Pradesh East and Uttar Pradesh West. On 22 December 2009 Uninor additionally launched in the state of Orissa, taking the total population footprint in India to approximately 550 million.
- By the end of December, 1 million subscriptions were activated.
- Introductory offerings have targeted the segments of mid to high users, via the "Callmore" and "Talklonger" plans.
- On 7 January 2010, Telenor paid the third tranche of capital contribution in Uninor, taking the shareholding to 60.11%. The fourth and final tranche is expected to be paid during first quarter 2010, bringing the final ownership to 67.25%.
- During fourth quarter 2009 Uninor entered into agreements with Indus Towers and Reliance Infratel as second and third tower suppliers.

## BROADCAST

| (NOK in millions)                            | 4th quarter  |              | Year         |              |
|--|--------------|--------------|--------------|--------------|
|  | 2009         | 2008         | 2009         | 2008         |
| <b>Revenues</b>                              |              |              |              |              |
| Canal Digital Group                          | 1 719        | 1 690        | 6 667        | 6 392        |
| Transmission & Encryption                    | 589          | 602          | 2 326        | 2 265        |
| Other/Eliminations                           | (96)         | (132)        | (428)        | (487)        |
| <b>Total revenues</b>                        | <b>2 212</b> | <b>2 160</b> | <b>8 565</b> | <b>8 170</b> |
| <b>EBITDA before other items</b>             |              |              |              |              |
| Canal Digital Group                          | 190          | 121          | 710          | 474          |
| Transmission & Encryption                    | 323          | 319          | 1 277        | 1 245        |
| Other/Eliminations                           | (16)         | (51)         | (43)         | (89)         |
| <b>Total EBITDA before other items</b>       | <b>497</b>   | <b>389</b>   | <b>1 944</b> | <b>1 630</b> |
| <b>Operating profit</b>                      |              |              |              |              |
| Canal Digital Group                          | 89           | 43           | 364          | 174          |
| Transmission & Encryption                    | 179          | 203          | 754          | 791          |
| Other/Eliminations                           | (37)         | (113)        | (113)        | (220)        |
| <b>Total operating profit</b>                | <b>231</b>   | <b>133</b>   | <b>1 005</b> | <b>745</b>   |
| EBITDA before other items/Total revenues (%) | 22.5         | 18.0         | 22.7         | 20.0         |
| Capex  | 1 151        | 322          | 1 941        | 2 365        |
| Investments in businesses                    | 69           | 19           | 230          | 44           |

### No. of subscribers – Change in quarter/Total (in thousands):

|                          |      |      |       |       |
|--------------------------|------|------|-------|-------|
| DTH TV                   | (11) | (12) | 1 060 | 1 113 |
| Cable TV                 | (4)  | 5    | 729   | 746   |
| Cable TV Internet access | 16   | 18   | 246   | 188   |

- The number of DTH subscribers decreased by 11,000, and the number of cable TV internet access subscriptions increased by 16,000 during the quarter.
- In Canal Digital Group, revenues increased mainly as a result of higher sale of additional services for cable and price increases for DTH. This was partly offset by reduced DTH subscriber volumes and currency effects. The EBITDA increase was due to higher revenues, reduced sales and marketing costs, and reversal of content cost provisions of NOK 44 million. The increase in EBITDA margin was partly offset by currency effects.
- Revenues in Transmission & Encryption decreased due to lower sale of conditional access services and currency effects, partly offset by higher revenues from satellite transmission.
- In the fourth quarter of 2009, Norkring acquired an additional 26% of the shares in Norkring België, for a consideration of NOK 69 million. After the consolidation Norkring's holds 74.99% of the common shares in the company, which was consolidated from 1 December 2009.
- The satellite Thor 6, which was launched 29 October 2009, is included in capital expenditure in the fourth quarter of 2009 with NOK 950 million.

## OTHER UNITS

| (NOK in millions)                        | 4th quarter  |              | Year          |               |
|--|--------------|--------------|---------------|---------------|
|  | 2009         | 2008         | 2009          | 2008          |
| <b>Revenues</b>                          |              |              |               |               |
| EDB Business Partner                     | 1 914        | 2 130        | 7 497         | 7 807         |
| New Business                             | 47           | 38           | 183           | 119           |
| Corporate functions and Group activities | 632          | 595          | 2 422         | 2 193         |
| Other/eliminations                       | 3            | (39)         | (30)          | (101)         |
| <b>Total revenues</b>                    | <b>2 596</b> | <b>2 724</b> | <b>10 072</b> | <b>10 018</b> |
| <b>EBITDA before other items</b>         |              |              |               |               |
| EDB Business Partner                     | 208          | 266          | 1 421         | 938           |
| New Business                             | (43)         | (60)         | (172)         | (166)         |
| Corporate functions and Group activities | (88)         | (157)        | (538)         | (586)         |
| Other/eliminations                       | (11)         | (29)         | (99)          | (39)          |
| <b>Total EBITDA before other items</b>   | <b>66</b>    | <b>20</b>    | <b>612</b>    | <b>147</b>    |
| <b>Operating profit (loss)</b>           |              |              |               |               |
| EDB Business Partner                     | 103          | 89           | 490           | 422           |
| New Business                             | (100)        | (75)         | (271)         | (214)         |
| Corporate functions and Group activities | (191)        | (253)        | (933)         | (992)         |
| Other/eliminations                       | (22)         | (30)         | (111)         | (42)          |
| <b>Total operating profit (loss)</b>     | <b>(210)</b> | <b>(269)</b> | <b>(825)</b>  | <b>(826)</b>  |
| Capex from continuing operations         | 250          | 286          | 732           | 1 258         |
| Capex from discontinued operations       | -            | 9            | 4             | 31            |
| Investments in businesses                | 9            | 25           | 106           | 1 448         |

### EDB Business Partner

- Revenues decreased by 10%, mainly due to lower activity level in the business area Application Services.

### New Business

- Cinclus Technology is presented as a discontinued operation from the second quarter of 2009. Figures for prior periods have been reclassified accordingly. See Note 5 for further details.
- Automobile was put under administration in the UK and de-consolidated from 22 December 2009. On 29 January 2010 Telenor acquired all assets of the company from the administrator and obtained full control and ownership of the operations.



## Group overview

The statements below are related to Telenor's development in 2009 compared to 2008, unless otherwise stated. The statements are based on reported figures, where Kyivstar is included as an associated company. Please refer to the section Telenor's operations, Note 7, Telenor's previous interim reports from 2009 and Telenor's Annual Report 2008 for further information.

Cinclus Technology is presented as a discontinued operation from the second quarter of 2009. Figures for prior periods have been reclassified accordingly. See Note 5 for further details.

### REVENUES

- Revenues increased by NOK 1,483 million, or 1.5%, mainly as a result of positive currency effects from the general weakening of the Norwegian Krone, subscription growth in our Asian operations and the acquisitions of IS Partner in EDB Business Partner and Datamatrix in Fixed Norway.

### EBITDA

- EBITDA increased by NOK 1,109 million compared to last year. Higher revenues were only partly offset by higher operating expenses.

### SPECIFICATION OF OTHER INCOME AND EXPENSES

| (NOK in millions)   | 4th quarter  |              | Year          |               |
|---|--------------|--------------|---------------|---------------|
|   | 2009         | 2008         | 2009          | 2008          |
| EBITDA before other income and expenses                   | 7 052        | 8 022        | 31 690        | 30 433        |
| EBITDA margin before other income and expenses (%)        | 29,2         | 31,0         | 32,5          | 31,6          |
| Gains (losses) on disposal of fixed assets and operations | (182)        | (11)         | (309)         | (202)         |
| Workforce reductions and loss contracts                   | (178)        | (118)        | (462)         | (422)         |
| <b>EBITDA</b>   | <b>6 691</b> | <b>7 893</b> | <b>30 918</b> | <b>29 809</b> |
| EBITDA margin (%)   | 27.7         | 30.5         | 31.7          | 31.0          |

In the fourth quarter of 2009 other income and expenses mainly consisted of the following items:

- NOK 106 million in Telenor Denmark, of which NOK 93 million mainly related to disposal of fixed assets due to obsolescence caused by new network replacement agreement as well as terminated product development.
- NOK 91 million in Telenor Sweden, mainly related to workforce reductions
- NOK 53 million in Telenor Norway, related to workforce reductions and loss on disposal of equipment
- NOK 52 million in Other Units mainly related to structural changes in Aeromobile
- NOK 27 million in Pannon related to termination of previous rental agreements
- NOK 27 million in Broadcast mainly related to workforce reductions and loss contracts

Accumulated for 2009 other income and expenses also include:

- Loss contracts in EDB Business Partner and Broadcast.
- Workforce reductions in EDB Business Partner, Fixed Norway and Telenor Denmark during the first three quarters of 2009.
- Losses on disposal of fixed assets in Telenor Sweden.
- Losses from sale of businesses in EDB Business Partner.

### OPERATING PROFIT

- Operating profit decreased by NOK 2,387 million compared to last year. The main reason for the decline in operating profit is the impairment of goodwill in Telenor Serbia of NOK 1,970 million during the second quarter. In addition to the factors mentioned above, the operating profit was affected by higher depreciation and amortisation due to increased investments in 2008.

### ASSOCIATED COMPANIES

| (NOK in millions)                                 | 4th quarter |            | Year         |              |
|---|-------------|------------|--------------|--------------|
|   | 2009        | 2008       | 2009         | 2008         |
| <b>Telenor's share of <sup>1)</sup></b>           |             |            |              |              |
| Profit after taxes                                | 877         | 283        | 4 326        | 5 515        |
| Amortisation of Telenor's net excess values       | (76)        | (85)       | (291)        | (282)        |
| Impairment losses of Telenor's net excess values  | -           | -          | -            | (17)         |
| Gains (losses) on disposal of ownership interests | -           | 1          | -            | 1 620        |
| <b>Profit (loss) from associated companies</b>    | <b>801</b>  | <b>199</b> | <b>4 035</b> | <b>6 836</b> |

<sup>1)</sup> For certain associated companies, financial statements as of the end of the Group's reporting period are not available. In such instances, the most recent financial statements are used, and estimates for the last period are made based on publicly available information. Actual figures may deviate from the preliminary figures. The consolidated income statement contains only the line 'Profit (loss) from associated companies'.

- As of 31 December 2009, Telenor's voting interest in VimpelCom in Russia was 29.9%, with a corresponding share of 33.6% of the common stock. The value of Telenor's stake in the company, based on the quoted ADS (American Depositary Shares) as of 31 December 2009, was NOK 37 billion. According to telecom analysts, VimpelCom had approximately 64 million mobile subscriptions at the end of December 2009.
- In 2009, Telenor's share of profit (loss) from associated companies was negatively affected by foreign exchange loss related to VimpelCom's loan portfolio. In addition, Telenor's share of profit (loss) from the associated company VimpelCom was negatively affected by NOK 394 million due to adjustment of estimated figures for 2008, including impairment of goodwill in Golden Telecom and URS Wellcom and reversal of Telenor's remaining eliminated internal gain related to the disposal of Golden Telecom in 2008.
- On 27 February 2008, Telenor completed the disposal of its 18.3% ownership interest in Golden Telecom to VimpelCom. Telenor recognised a sales gain of NOK 1,610 million after elimination of the gain related to Telenor's ownership in VimpelCom.

## FINANCIAL ITEMS

| (NOK in millions)                             | 4th quarter  |              | Year           |                |
|---|--------------|--------------|----------------|----------------|
|   | 2009         | 2008         | 2009           | 2008           |
| Financial income                              | 194          | 153          | 604            | 704            |
| Financial expenses                            | (546)        | (817)        | (2 696)        | (3 003)        |
| Net foreign currency gains (losses)           | (120)        | (39)         | (443)          | (426)          |
| Change in fair value of financial instruments | 117          | (163)        | 433            | (452)          |
| Net gains (losses) and impairment losses      | (83)         | (13)         | (83)           | 5              |
| <b>Net financial items</b>                    | <b>(437)</b> | <b>(879)</b> | <b>(2 184)</b> | <b>(3 172)</b> |
| Gross interest expenses                       | (490)        | (822)        | (2 645)        | (3 006)        |
| Net interest expenses                         | (411)        | (695)        | (2 313)        | (2 541)        |

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

## TAXES

- The effective tax rate for the fourth quarter and for the full year 2009 is 13% and 29%, respectively. The effective tax rate for the fourth quarter 2009 is low due to reduced tax rate for Grameenphone as a result of the IPO in November 2009. The effective tax rate for the full year 2009 increased compared to 2008, mainly due to the non-deductible goodwill impairment in Telenor Serbia during the second quarter of 2009 and the non-taxable gain from the sale of Golden Telecom in the first quarter of 2008. Adjusted for impairment of goodwill and other non-recurring tax items, the effective tax rate for the full year 2009 is 28%.

## INVESTMENTS

- Capital expenditure including new licences and spectrum in 2009 decreased by NOK 4.5 billion mainly due to capitalisation of the 3G spectrum licence in DiGi of approximately NOK 1.1 billion, the acquisition of 2x20 MHz in the 2.6 GHz spectrum in Sweden for approximately NOK 450 million and the acquisition of additional 2G frequencies in Grameenphone for approximately NOK 485 million in 2008. In addition there have been lower network investments in most operations in 2009. The reduction is partly offset by the investments in Unitech Wireless in 2009 of NOK 3.6 billion. The investment in the satellite Thor 5 of approximately NOK 1.1 billion in 2008 was almost offset by the investment in the satellite Thor 6 of approximately NOK 950 million in the fourth quarter of 2009.

| (NOK in millions)                              | 4th quarter |       | Year   |        |
|--|-------------|-------|--------|--------|
|  | 2009        | 2008  | 2009   | 2008   |
| Capex  | 5 567       | 6 373 | 16 107 | 20 619 |
| Capex excl. licences and spectrum              | 5 567       | 5 888 | 16 107 | 18 584 |
| Capex excl. licences and spectrum/Revenues (%) | 23.0        | 22.8  | 16.5   | 19.3   |

## FINANCIAL POSITION

- During the fourth quarter of 2009, Telenor recorded strong cash flow from operating activities and utilised the cash flow to reduce interest-bearing liabilities by NOK 6.0 billion. On the overall, cash and cash equivalents decreased by NOK 3.9 billion while net interest-bearing liabilities decreased by NOK 2.3 billion to NOK 26.3 billion.

## CASH FLOW

- The net cash inflow from operating activities in 2009 was NOK 30.6 billion, an increase of NOK 5.0 billion. Dividends received from associated companies increased by NOK 3.5 billion. Income taxes paid in 2009 were 2.5 billion, a decrease of NOK 1.4 billion, due to the jointly taxed Norwegian entities not being in a taxpaying position from the end of 2008. The negative effect from changes in working capital in the fourth quarter of 2009 was mainly related to the annual revenue share payment in DTAC.
- The net cash outflow from investing activities in 2009 was NOK 13.7 billion, an increase of NOK 1.1 billion. This is mainly due to the sale of shares in Golden Telecom of NOK 4.1 billion, partly offset by the acquisition of IS Partner of NOK 1.0 billion in 2008, as well as NOK 4.4 billion lower for capital expenditure in 2009. Paid capex was NOK 3.1 billion lower than reported capex for the year 2009, mainly due to India being in a rollout phase and Broadcast's capitalisation of the satellite Thor 6.
- The net cash outflow from financing activities in 2009 was NOK 13.2 billion, an increase of NOK 3.7 billion. Dividends and share buy-back decreased by NOK 7.8 billion, while net repayments of debt increased the cash outflow by NOK 11.7 billion in 2009.
- Cash and cash equivalents increased by NOK 2.6 billion during the year 2009 to NOK 11.5 billion as of 31 December 2009.

## TRANSACTIONS WITH RELATED PARTIES

For detailed information on related party transactions refer to Note 33 in Telenor's Annual Report for 2008. In addition to transactions described in the Annual Report the following new significant related party transactions occurred in 2009:

- On 1 June 2009, the extraordinary general meeting of shareholders (EGMS) of Kyivstar approved total dividends of UAH 4.6 billion (approximately NOK 3.8 billion) for the fiscal years 2006 and 2007. Telenor's share of the dividends of NOK 2.1 billion was received as of 30 June 2009.
- On 1 September 2009, the EGMS of Kyivstar approved total dividends of UAH 1.9 billion (approximately NOK 1.4 billion) for the fiscal year of 2008, of which Telenor has received its appropriate share as of 31 December 2009. The dividend distributed was a proportion of total profit of UAH 5.1 billion for the fiscal year of 2008.
- On 17 December 2009, the EGMS of VimpelCom approved total dividends of USD 323 million for the first nine months of 2009 of which Telenor has received approximately NOK 500 million as of 31 December 2009.

## Outlook for 2010

Based on the current group structure including Uninor (Kyivstar not included), and using currency rates as of 31 December 2009 Telenor expects:

- Low single digit growth in organic revenues
- An EBITDA margin before other income and expenses of 27–28%.
- Capital expenditure as a proportion of revenues, excluding licences and spectrum, of 14–16%.

Telenor expects that Uninor will contribute with an EBITDA loss in the range of NOK 4.5-5 billion and capital expenditure in the range of NOK 2.5-3.5 billion.

### RISKS AND UNCERTAINTIES

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

For additional explanations regarding risks and uncertainties, please refer to the Report of the Board of Directors for 2008, section Risk Factors and Risk Management, and Telenor's Annual Report 2008 Note 30 Financial Instruments and Risk Management and Note 34 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 2008 are:

#### Financial aspects

- Telenor's exposure to exchange rates, interest rates and credit risk has increased after the consolidation of Unitech Wireless in the financial statements of 2009.
- The exposure to credit risk related to cash and deposits held in associated companies is significantly reduced due to dividend payments from Kyivstar for the fiscal years from 2004 to 2008, which were fully received as of 31 December 2009. The exposure will be reduced further when the approved additional dividend for the fiscal year 2008 is received in February 2010.
- The long term credit rating of Telenor ASA was upgraded to A- by S&P on 3 July 2009, still with negative outlook. The A- rating on Telenor is based on the company's stand-alone credit profile, which S&P's Rating Services assesses at BBB+, as well as a new emphasis in S&P's opinion, that there is a moderate likelihood that the Norwegian government would provide timely and sufficient extraordinary support to Telenor in the event of financial distress.

#### VimpelCom

##### Farimex Products. Inc – Telenor East Invest et.al.

On 2 March 2009, the Eight Arbitrazh Appellant Court in Omsk handed down a ruling, holding Telenor East Invest liable for USD 1.73 billion in damages as a result of a claim by Farimex Products Inc. According to Russian rules, the ruling was immediately effective and enforceable. The ruling was appealed to the Court of the West Siberia District, Tyumen (the Tyumen Court).

On 12 March 2009, Telenor East Invest obtained confirmation that 15,337,854 of its shares in VimpelCom had been arrested by enforcement officers.

On 12 May 2009, Telenor East Invest filed a motion with the Moscow Arbitrazh Court seeking to nullify the 27 April ruling in the Federal Service of Enforcement Officers (the "Bailiff's Service") imposing an enforcement fee of USD 121.0 million on Telenor East Invest and to suspend the enforcement on that ruling until such motion could be heard. On 17 July, 2009, the Moscow Arbitrazh Court denied Telenor's motion. On 15 October 2009, the appellate court denied Telenor's appeal.

On 7 July 2009, Telenor filed a motion within the Moscow Arbitrazh Court to halt the transfer of the assignment to sell Telenor's shares in VimpelCom to Rosimuschestvo (The Federal Property Management Agency). On 28 July 2009, the Moscow Arbitrazh Court denied Telenor's motion. On 6 October 2009, the appellate court in Moscow denied Telenor's appeal.

On 30 September 2009, the Tyumen Court, adjourned the hearing of Telenor East Invest AS's appeal of the ruling of the Eight Arbitrazh Appellate Court in Omsk holding Telenor East Invest liable for USD 1.73 billion in damages as a result of a claim by Farimex Products Inc. The hearing was postponed until 24 March 2010.

Based on the advice of our Russian lawyers, we believe Farimex's claims lack merit and that Telenor East Invest has strong legal defences to such claims and are therefore of the opinion that it is more likely than not that this case would not have a material adverse effect on the financial position of the Group, and accordingly no provision has been made for any liability or loss of shares in these financial statements.

### 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 2010' 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, 9 February 2010  
The Board of Directors of Telenor ASA



# Condensed interim financial information

## CONSOLIDATED INCOME STATEMENT

### Telenor Group

| (NOK in millions except earnings per share)    | 4th quarter  |              | Year          |               |
|--|--------------|--------------|---------------|---------------|
|  | 2009         | 2008         | 2009          | 2008          |
| Revenues                                       | 24 191       | 25 860       | 97 650        | 96 167        |
| Costs of materials and traffic charges         | (6 301)      | (6 752)      | (25 223)      | (25 312)      |
| Salaries and personnel costs                   | (3 636)      | (3 609)      | (13 460)      | (13 335)      |
| Other operating expenses                       | (7 202)      | (7 477)      | (27 277)      | (27 087)      |
| Other income and (expenses)                    | (360)        | (129)        | (771)         | (624)         |
| <b>EBITDA</b>                                  | <b>6 691</b> | <b>7 893</b> | <b>30 918</b> | <b>29 809</b> |
| Depreciation and amortisation                  | (3 890)      | (4 012)      | (15 317)      | (14 088)      |
| Impairment losses                              | 29           | (4)          | (2 280)       | (13)          |
| <b>Operating profit</b>                        | <b>2 830</b> | <b>3 877</b> | <b>13 321</b> | <b>15 708</b> |
| <b>Profit (loss) from associated companies</b> | <b>801</b>   | <b>199</b>   | <b>4 035</b>  | <b>6 836</b>  |
| Net financial items                            | (437)        | (879)        | (2 184)       | (3 172)       |
| <b>Profit before taxes</b>                     | <b>3 194</b> | <b>3 197</b> | <b>15 172</b> | <b>19 372</b> |
| Taxes  | (420)        | (803)        | (4 332)       | (4 329)       |
| <b>Profit from continuing operations</b>       | <b>2 775</b> | <b>2 394</b> | <b>10 841</b> | <b>15 043</b> |
| Profit (loss) from discontinued operations     | -            | 48           | (410)         | (233)         |
| <b>Net income</b>                              | <b>2 774</b> | <b>2 442</b> | <b>10 430</b> | <b>14 810</b> |

#### Net income attributable to:

|  |       |       |       |        |
|--|-------|-------|-------|--------|
| Non-controlling interests (Minority interests) | 281   | 479   | 1 451 | 1 745  |
| Equity holders of Telenor ASA                  | 2 493 | 1 963 | 8 979 | 13 065 |

#### Earnings per share in NOK

##### From continuing operations:

|         |      |      |      |      |
|---------|------|------|------|------|
| Basic   | 1.51 | 1.15 | 5.67 | 7.97 |
| Diluted | 1.50 | 1.15 | 5.66 | 7.96 |

##### From total operations:

|         |      |      |      |      |
|---------|------|------|------|------|
| Basic   | 1.51 | 1.18 | 5.42 | 7.83 |
| Diluted | 1.50 | 1.18 | 5.42 | 7.82 |

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

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### Telenor Group

| (NOK in millions except earnings per share)                          | 4th quarter  |              | Year            |               |
|--|--------------|--------------|-----------------|---------------|
|  | 2009         | 2008         | 2009            | 2008          |
|  |              | (Restated)   |                 | (Restated)    |
| <b>Net income</b>  | <b>2 774</b> | <b>2 442</b> | <b>10 430</b>   | <b>14 810</b> |
| Translation differences on net investment in foreign operations      | (1 073)      | 5 451        | (16 060)        | 9 054         |
| Income tax   | (100)        | 384          | (613)           | 552           |
| Net gain (loss) on hedge of net investment                           | 293          | (2 180)      | 2 676           | (2 665)       |
| Income tax   | (82)         | 610          | (749)           | 746           |
| Available-for-sale investments valuation gains (losses)              | (3)          | (4)          | (3)             | (49)          |
| Cash flow hedges valuation gains (losses)                            | 90           | (363)        | (334)           | (375)         |
| Income tax   | (25)         | 103          | 93              | 106           |
| Share of other comprehensive income (loss) from associated companies | 19           | -            | (74)            | 259           |
| <b>Other comprehensive income (loss) for the period, net of tax</b>  | <b>(881)</b> | <b>4 001</b> | <b>(15 064)</b> | <b>7 628</b>  |
| <b>Total comprehensive income for the period</b>                     | <b>1 893</b> | <b>6 443</b> | <b>(4 634)</b>  | <b>22 438</b> |

#### Total comprehensive income attributable to:

|  |       |       |         |        |
|--|-------|-------|---------|--------|
| Non-controlling interests (Minority interests) | 345   | 1 423 | 280     | 2 720  |
| Equity holders of Telenor ASA                  | 1 548 | 5 020 | (4 914) | 19 718 |

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



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**Telenor Group**

| (NOK in millions)                                    | 31 December<br>2009 | 30 September<br>2009 | 31 December<br>2008 |
|--|---------------------|----------------------|---------------------|
| Deferred tax assets                                  | 1 811               | 966                  | 2 815               |
| Goodwill   | 28 873              | 29 448               | 34 227              |
| Intangible assets                                    | 28 120              | 28 577               | 31 153              |
| Property, plant and equipment                        | 55 598              | 54 005               | 59 772              |
| Associated companies                                 | 17 596              | 17 365               | 20 811              |
| Other non-current assets                             | 3 215               | 4 745                | 6 020               |
| <b>Total non-current assets</b>                      | <b>135 213</b>      | <b>135 106</b>       | <b>154 798</b>      |
| Trade receivables                                    | 9 178               | 8 642                | 10 204              |
| Other current assets                                 | 9 323               | 9 677                | 12 166              |
| Assets classified as held for sale                   | 258                 | 278                  | -                   |
| Other financial current assets                       | 935                 | 1 137                | 1 079               |
| Cash and cash equivalents                            | 11 479              | 15 420               | 8 925               |
| <b>Total current assets</b>                          | <b>31 173</b>       | <b>35 154</b>        | <b>32 374</b>       |
| <b>Total assets</b>                                  | <b>166 386</b>      | <b>170 260</b>       | <b>187 172</b>      |
| Equity attributable to equity holders of Telenor ASA | 76 292              | 74 314               | 80 947              |
| Non-controlling interests (Minority interests)       | 9 089               | 8 680                | 7 621               |
| <b>Total equity</b>                                  | <b>85 381</b>       | <b>82 994</b>        | <b>88 568</b>       |
| Non-current interest-bearing financial liabilities   | 32 959              | 34 754               | 40 452              |
| Non-current non-interest-bearing liabilities         | 718                 | 720                  | 944                 |
| Deferred tax liabilities                             | 3 873               | 4 159                | 4 696               |
| Pension obligations                                  | 2 089               | 2 158                | 2 634               |
| Other provisions                                     | 1 863               | 2 127                | 1 681               |
| <b>Total non-current liabilities</b>                 | <b>41 502</b>       | <b>43 918</b>        | <b>50 407</b>       |
| Current interest-bearing financial liabilities       | 6 383               | 11 106               | 15 581              |
| Trade payables                                       | 7 605               | 8 971                | 7 354               |
| Current non-interest-bearing liabilities             | 25 231              | 22 993               | 25 262              |
| Liabilities classified as held for sale              | 284                 | 278                  | -                   |
| <b>Total current liabilities</b>                     | <b>39 503</b>       | <b>43 348</b>        | <b>48 197</b>       |
| <b>Total equity and liabilities</b>                  | <b>166 386</b>      | <b>170 260</b>       | <b>187 172</b>      |
| Equity ratio including non-controlling interests (%) | 51.3                | 48.7                 | 47.3                |
| Net interest-bearing liabilities                     | 26 332              | 28 628               | 45 547              |

Kyivstar is included in the line Associated companies in the statement of financial position.

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

### Telenor Group

| (NOK in millions)  | 4th quarter    |                | Year            |                 |
|--|----------------|----------------|-----------------|-----------------|
|  | 2009           | 2008           | 2009            | 2008            |
| Profit before taxes  | 3 147          | 3 109          | 14 757          | 19 003          |
| Income taxes paid  | (463)          | (507)          | (2 491)         | (3 870)         |
| Net (gains) losses from disposals, and change in fair value of financial items incl. impairment losses | 124            | (67)           | (57)            | 394             |
| Depreciation, amortisation and impairment losses   | 3 865          | 4 113          | 17 653          | 14 210          |
| Profit and loss from associated companies  | (801)          | (199)          | (4 035)         | (6 836)         |
| Dividends received from associated companies   | 1 165          | 220            | 4 757           | 1 258           |
| Currency (gains) losses not related to operating activities  | 14             | 94             | 82              | 441             |
| Change in other operating working capital assets and liabilities                                       | (2 263)        | (1 235)        | (44)            | 1 029           |
| <b>Net cash flow from operating activities</b>   | <b>4 788</b>   | <b>5 528</b>   | <b>30 622</b>   | <b>25 629</b>   |
| Purchases of property, plant and equipment (PPE) and intangible assets                                 | (3 092)        | (5 119)        | (13 014)        | (17 465)        |
| Purchases of subsidiaries and associated companies, net of cash acquired                               | (44)           | (29)           | (655)           | (1 321)         |
| Sales of PPE, intangible assets and businesses, net of cash disposed                                   | (34)           | 38             | 75              | 4 291           |
| Sales and purchases of other investments   | 146            | (320)          | (72)            | (308)           |
| <b>Net cash flow from investing activities</b>   | <b>(3 024)</b> | <b>(5 430)</b> | <b>(13 666)</b> | <b>(14 803)</b> |
| Proceeds from and repayments of borrowings   | (5 985)        | 139            | (12 218)        | (534)           |
| Proceeds from issuance of shares, incl from non-controlling interests in subsidiaries                  | 518            | 361            | 518             | 338             |
| Purchase of treasury shares  | -              | -              | (5)             | (2 108)         |
| Dividends paid and repayment of equity to non-controlling interests in subsidiaries                    | (508)          | (586)          | (1 530)         | (1 514)         |
| Dividends paid to shareholders of Telenor ASA  | -              | -              | -               | (5 678)         |
| <b>Net cash flow from financing activities</b>   | <b>(5 975)</b> | <b>(86)</b>    | <b>(13 235)</b> | <b>(9 496)</b>  |
| Effects of exchange rate changes on cash and cash equivalents  | 314            | 540            | (1 094)         | 754             |
| <b>Net change in cash and cash equivalents</b>   | <b>(3 897)</b> | <b>552</b>     | <b>2 627</b>    | <b>2 084</b>    |
| Cash and cash equivalents at the beginning of the period   | 15 449         | 8 373          | 8 925           | 6 841           |
| <b>Cash and cash equivalents at the end of the period<sup>1)</sup></b>                                 | <b>11 552</b>  | <b>8 925</b>   | <b>11 552</b>   | <b>8 925</b>    |
| Of which cash and cash equivalents in discontinued operations at the end of the period                 | 73             | -              | 73              | -               |
| <b>Cash and cash equivalents at the end of the period in continuing operations</b>                     | <b>11 479</b>  | <b>8 925</b>   | <b>11 479</b>   | <b>8 925</b>    |

<sup>1)</sup> The 2009 figure includes restricted cash of NOK 341 million, while the 2008 figure included restricted cash of NOK 441 million.

The statement includes discontinued operations prior to their disposal.

### Cash Flow from discontinued operations

| (NOK in millions)                       | 4th quarter |      | Year  |       |
|---|-------------|------|-------|-------|
|   | 2009        | 2008 | 2009  | 2008  |
| Net cash flow from operating activities | 48          | 71   | 231   | (358) |
| Net cash flow from investing activities | -           | (9)  | (4)   | (31)  |
| Net cash flow from financing activities | -           | 28   | (119) | 186   |

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**

| (NOK in millions)   | Attributable to equity holders of Telenor ASA |                |                   |                                    | Total         | Non-controlling interests | Total equity  |
|---|---|----------------|-------------------|------------------------------------|---------------|---------------------------|---------------|
|   | Total paid in capital                         | Other reserves | Retained earnings | Cumulative translation differences |               |                           |               |
| <b>Balance as of 31 December 2007</b>                                   | <b>14 406</b>                                 | <b>9 428</b>   | <b>48 803</b>     | <b>(3 840)</b>                     | <b>68 797</b> | <b>5 858</b>              | <b>74 655</b> |
| Total comprehensive income for the period                               | -   | (13)           | 13 065            | 6 666                              | 19 718        | 2 720                     | 22 438        |
| Business combinations and increased ownership interests in subsidiaries | -   | (9)            | -                 | -                                  | (9)           | -                         | (9)           |
| Transactions with non-controlling interests                             | -   | 493            | -                 | -                                  | 493           | 631                       | 1 124         |
| Income tax on items taken directly to equity                            | -   | (5)            | -                 | -                                  | (5)           | -                         | (5)           |
| Equity adjustments in associated companies                              | -   | (282)          | -                 | -                                  | (282)         | -                         | (282)         |
| Transfer from share premium account                                     | (3 000)                                       | 3 000          | -                 | -                                  | -             | -                         | -             |
| Cancellation of shares  | (1 274)                                       | 1 274          | -                 | -                                  | -             | -                         | -             |
| Dividends   | -   | -              | (5 678)           | -                                  | (5 678)       | (1 590)                   | (7 268)       |
| Share buy back  | (116)   | (1 992)        | -                 | -                                  | (2 108)       | -                         | (2 108)       |
| Sale of shares, share issue, and share options to employees             | -   | 21             | -                 | -                                  | 21            | 2                         | 23            |
| <b>Balance as of 31 December 2008 (Restated)</b>                        | <b>10 016</b>                                 | <b>11 915</b>  | <b>56 190</b>     | <b>2 826</b>                       | <b>80 947</b> | <b>7 621</b>              | <b>88 568</b> |
| Total comprehensive income for the period                               | -   | (334)          | 8 979             | (13 559)                           | (4 914)       | 280                       | (4 634)       |
| Transactions with non-controlling interests                             | -   | 282            | -                 | -                                  | 282           | 2 722                     | 3 004         |
| Equity adjustments in associated companies                              | -   | 28             | -                 | -                                  | 28            | -                         | 28            |
| Dividends   | -   | -              | -                 | -                                  | -             | (1 530)                   | (1 530)       |
| Share buy back  | (13)  | (70)           | -                 | -                                  | (83)          | (5)                       | (88)          |
| Sale of shares, share issue, and share options to employees             | 2   | 30             | -                 | -                                  | 32            | 1                         | 33            |
| <b>Balance as of 31 December 2009</b>                                   | <b>10 005</b>                                 | <b>11 851</b>  | <b>65 169</b>     | <b>(10 733)</b>                    | <b>76 292</b> | <b>9 089</b>              | <b>85 381</b> |

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

# Notes to the consolidated interim financial statements

## **NOTE 1 – GENERAL ACCOUNTING PRINCIPLES AND COMPLIANCE**

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 difference, numbers or percentages may not add up to the total.

From 1 January 2005, as required by the European Union's IAS Regulation and the Norwegian Accounting Act, the Company has prepared its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"). IFRS as adopted by the EU differ in certain respects from IFRS as issued by the International Accounting Standards Board ("IASB"). However, the consolidated financial statements for the periods presented would be no different had the Company applied IFRS as issued by the IASB. References to "IFRS" hereafter should be construed as references to IFRS as adopted by the EU.

These interim condensed consolidated financial statements for the year ending 31 December 2009 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 Telenor's Annual Report 2008.

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 2008, except for the adoption of new standards and interpretations as of 1 January 2009 noted below.

### **IAS 1 Revised Financial statement presentation**

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details on transactions with owners, with non-owner changes in equity presented as a single line. In addition the standard introduces a statement of comprehensive income presenting income and expenses of non-owner transactions either as addition in the income statement or as a separate statement of comprehensive income. The Group has elected to present two statements.

### **IFRS 7 Financial Instruments – disclosure**

The amendments require enhanced disclosures about fair value measurements and liquidity risk. The amendments will impact Telenor's disclosures for the year 2009.

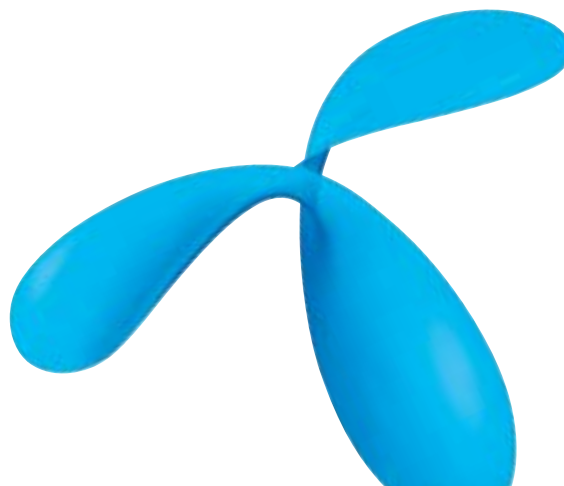
Other standards and interpretations as mentioned in Telenor's Annual Report 2008 Note 1 and effective from 1 January 2009 have no impact on Telenor's consolidated financial statements.

## **NOTE 2 – CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Refer to Note 3 in Telenor's Annual Report 2008 for critical accounting judgements and key sources of estimation uncertainty.

As of 31 December 2009, Telenor's assessment is that corporate governance and control has still not been sufficiently restored in Kyivstar. Significant influence still exists and Kyivstar continues to be accounted for as an associated company.

VimpelCom has changed its presentation currency from USD to its functional currency Russian rubles (RUB) with effect from 1 January 2009. As of the second quarter 2009, Telenor discontinued estimating its share of VimpelCom's own translation differences from RUB to USD and reclassified prior period estimates within Other Comprehensive Income (OCI). Comparative figures are reclassified accordingly.



### **NOTE 3 – BUSINESS COMBINATIONS**

#### **Unitech Wireless**

On 17 March 2009, Telenor announced the acquisition of a 33.5% ownership interest in Unitech Wireless. The acquisition was completed 20 March 2009 by a capital contribution in Unitech Wireless of NOK 1.7 billion paid in cash. Telenor gained control through the shareholder agreement. The value was set based on fair value after negotiations between the parties. Unitech Wireless will offer mobile services to residential and business customers in India.

The purchase price allocation is final and was performed with assistance from third-party valuation experts. There are no material changes in the net asset acquired compared to previous quarters and we refer to Telenor's interim report as of 30 June 2009.

Unitech Wireless had net income of negative NOK 1.04 billion in the period between the date of consolidation and 31 December 2009, which is included in the Telenor Group's net income. This does not include Telenor's interest expenses related to the financing of the acquisition.

On 19 May 2009, Telenor acquired a 15.5% ownership interest in addition to the first acquisition of 33.5%. The transaction was completed by a capital contribution of NOK 1.8 billion and is treated as acquisition of non-controlling interests. The goodwill arising from the transaction was NOK 0.5 billion.

On 7 January 2010, Telenor acquired an 11.1% ownership interest in addition to the previously acquired ownership of 49.0%, taking the ownership up to 60.1%. The transaction was completed by a capital contribution of NOK 2.1 billion and is treated as acquisition of non-controlling interests. The transaction will be accounted for according to the revised IAS 27 that is adopted from 1 January 2010, and consequently no goodwill will be recognised through this transaction.

### **NOTE 4 – IMPAIRMENT TESTING OF GOODWILL**

In the second quarter of 2009 an impairment loss of NOK 1,970 million was recognised relating to goodwill in Telenor Serbia. The negative effects of the global financial crises on the Serbian economy have led to an increase in the country risk premium included in the discount rates, and also to lowered margin and growth expectations for Telenor Serbia. Key assumptions applied in the updated value-in-use calculation for Telenor Serbia are discount rate after tax (WACC) of 16.0%-12.2% (pre tax 17.8% -13.6%) and revenue growth rate year 4-9 of 5% - 4%.

In the third quarter an impairment loss of NOK 218 million was recognised relating to goodwill in EDB Business Partner.

For further information on impairment testing of goodwill see Note 18 in Telenor's Annual Report 2008.

### **NOTE 5 – DISCONTINUED OPERATIONS**

Cinclus Technology is presented on the lines "Assets classified as held for sale" and "Liabilities classified as held for sale" in the statement of financial position, and is classified as a discontinued operation in the income statement. Discontinued operations remain consolidated in the consolidated financial statements, meaning that any internal transactions between continued and discontinued operations are eliminated as usual in the consolidation. As a consequence, the amounts reclassified to discontinued operations are income and expenses only from external transactions. Thus, the result presented as discontinued operations will not represent the activities of the operations on a stand alone basis. Prior period's income statements have been reclassified to be comparable. The gain or loss will be recognised in the income statement when Cinclus Technology is disposed.

### **NOTE 6 – EVENTS AFTER THE REPORTING PERIOD**

On 13 January 2010, the EGMS of Kyivstar approved additional dividends of UAH 0.8 billion (approximately NOK 0.5 billion) for the fiscal year of 2008, of which Telenor will receive its appropriate share by 28 February 2010. The dividend distributed is a proportion of total net profit of UAH 5.1 billion for the fiscal year of 2008.

On 9 February 2010, VimpelCom Ltd. launched an exchange offer to all shareholders of OJSC VimpelCom, whereby OJSC VimpelCom shares and ADRs will be exchanged for depositary receipts (DRs) representing shares in VimpelCom Ltd. The offer and contemplated transaction is further described under "Telenor's operations" on page 2.

**NOTE 7 – SEGMENT TABLE AND RECONCILIATION OF EBITDA BEFORE OTHER INCOME AND EXPENSES**
**Fourth quarter**

| (NOK in millions)                           | Total revenues |               |                | of which internal |         | EBITDA before other income and expenses <sup>*)</sup> |              |              |              |
|---|----------------|---------------|----------------|-------------------|---------|---|--------------|--------------|--------------|
|   | 2009           | 2008          | Growth         | 2009              | 2008    | 2009  | Margin       | 2008         | Margin       |
| Mobile - Norway                             | 3 531          | 3 300         | 7.0%           | 173               | 221     | 1 270   | 36.0%        | 1 135        | 34.4%        |
| Fixed - Norway                              | 3 537          | 3 800         | (6.9%)         | 490               | 551     | 1 229   | 34.7%        | 1 301        | 34.2%        |
| Sweden                                      | 2 257          | 2 410         | (6.3%)         | 34                | 26      | 529   | 23.4%        | 511          | 21.2%        |
| Denmark                                     | 1 855          | 2 075         | (10.6%)        | 45                | 60      | 488   | 26.3%        | 516          | 24.9%        |
| Kyivstar - Ukraine                          | 2 080          | 3 553         | (41.5%)        | 8                 | 10      | 1 057   | 50.8%        | 1 808        | 50.9%        |
| Pannon - Hungary                            | 1 384          | 1 641         | (15.7%)        | 10                | 8       | 490   | 35.4%        | 601          | 36.6%        |
| DTAC - Thailand                             | 2 900          | 3 241         | (10.5%)        | 9                 | 18      | 953   | 32.9%        | 913          | 28.2%        |
| DiGi - Malaysia                             | 2 082          | 2 339         | (11.0%)        | 3                 | 2       | 882   | 42.4%        | 1 023        | 43.7%        |
| Grameenphone - Bangladesh                   | 1 378          | 1 627         | (15.3%)        | -                 | -       | 717   | 52.0%        | 924          | 56.8%        |
| Telenor - Pakistan                          | 1 058          | 1 109         | (4.6%)         | 3                 | 9       | 309   | 29.2%        | 225          | 20.3%        |
| Other mobile operations                     | 882            | 1 022         | (13.7%)        | 26                | 26      | (349)   | nm           | 483          | 47.3%        |
| Broadcast                                   | 2 212          | 2 160         | 2.4%           | 24                | 27      | 497   | 22.5%        | 389          | 18.0%        |
| Other operations                            | 2 596          | 2 724         | (4.7%)         | 662               | 640     | 66  | 2.5%         | 20           | 0.7%         |
| Eliminations                                | (1 486)        | (1 598)       | -              | (1 486)           | (1 598) | (25)  | -            | (19)         | -            |
| <b>Operating segments</b>                   | <b>26 263</b>  | <b>29 403</b> | <b>(10.7%)</b> |                   |         | <b>8 109</b>  | <b>30.9%</b> | <b>9 830</b> | <b>33.4%</b> |
| Kyivstar reclassified as associated company | 2 072          | 3 543         |                |                   |         | 1 057   |              | 1 808        |              |
| <b>Group</b>                                | <b>24 191</b>  | <b>25 860</b> | <b>(6.5%)</b>  |                   |         | <b>7 052</b>  | <b>29.2%</b> | <b>8 022</b> | <b>31.0%</b> |

**The operations for the year**

| (NOK in millions)                           | Total revenues |                |               | of which internal |         | EBITDA before other income and expenses <sup>*)</sup> |              |               |              |
|---|----------------|----------------|---------------|-------------------|---------|---|--------------|---------------|--------------|
|   | 2009           | 2008           | Growth        | 2009              | 2008    | 2009  | Margin       | 2008          | Margin       |
| Mobile - Norway                             | 13 642         | 12 877         | 5.9%          | 717               | 809     | 5 227   | 38.3%        | 4 610         | 35.8%        |
| Fixed - Norway                              | 14 409         | 14 707         | (2.0%)        | 2 131             | 2 152   | 5 250   | 36.4%        | 5 279         | 35.9%        |
| Sweden                                      | 9 031          | 9 532          | (5.3%)        | 168               | 110     | 1 959   | 21.7%        | 2 040         | 21.4%        |
| Denmark                                     | 7 813          | 7 627          | 2.4%          | 206               | 194     | 1 899   | 24.3%        | 1 793         | 23.5%        |
| Kyivstar - Ukraine                          | 9 047          | 13 834         | (34.6%)       | 25                | 31      | 5 076   | 56.1%        | 8 058         | 58.2%        |
| Pannon - Hungary                            | 5 524          | 6 159          | (10.3%)       | 15                | 31      | 2 289   | 41.4%        | 2 516         | 40.9%        |
| DTAC - Thailand                             | 12 044         | 12 000         | 0.4%          | 24                | 56      | 3 689   | 30.6%        | 3 980         | 33.2%        |
| DiGi - Malaysia                             | 8 743          | 8 112          | 7.8%          | 10                | 7       | 3 791   | 43.4%        | 3 666         | 45.2%        |
| Grameenphone - Bangladesh                   | 5 947          | 5 049          | 17.8%         | 1                 | 1       | 3 390   | 57.0%        | 2 342         | 46.4%        |
| Telenor - Pakistan                          | 4 350          | 4 011          | 8.5%          | 31                | 33      | 1 055   | 24.3%        | 709           | 17.7%        |
| Other mobile operations                     | 3 683          | 3 941          | (6.5%)        | 131               | 108     | 607   | 16.5%        | 1 759         | 44.6%        |
| Broadcast                                   | 8 565          | 8 170          | 4.8%          | 95                | 99      | 1 944   | 22.7%        | 1 630         | 20.0%        |
| Other operations                            | 10 072         | 10 018         | 0.5%          | 2 642             | 2 436   | 612   | 6.1%         | 147           | 1.5%         |
| Eliminations                                | (6 195)        | (6 067)        | -             | (6 195)           | (6 067) | (18)  | -            | (38)          | -            |
| <b>Operating segments</b>                   | <b>106 672</b> | <b>109 970</b> | <b>(3.0%)</b> |                   |         | <b>36 766</b>   | <b>34.5%</b> | <b>38 491</b> | <b>35.0%</b> |
| Kyivstar reclassified as associated company | 9 022          | 13 803         |               |                   |         | 5 076   |              | 8 058         |              |
| <b>Group</b>                                | <b>97 650</b>  | <b>96 167</b>  | <b>1.5%</b>   |                   |         | <b>31 690</b>   | <b>32.5%</b> | <b>30 433</b> | <b>31.6%</b> |

<sup>\*)</sup> The segment profit is EBITDA before other income and expenses

**Reconciliation**

| (NOK in millions)   | 4th quarter  |              | Year          |               |
|---|--------------|--------------|---------------|---------------|
|   | 2009         | 2008         | 2009          | 2008          |
| <b>Net income</b>   | <b>2 774</b> | <b>2 442</b> | <b>10 430</b> | <b>14 810</b> |
| Profit (loss) from discontinued operations  | -            | 48           | (410)         | (233)         |
| <b>Profit from continuing operations</b>  | <b>2 775</b> | <b>2 394</b> | <b>10 841</b> | <b>15 043</b> |
| Taxes   | (420)        | (803)        | (4 332)       | (4 329)       |
| <b>Profit before taxes</b>  | <b>3 194</b> | <b>3 197</b> | <b>15 172</b> | <b>19 372</b> |
| Net financial items   | (437)        | (879)        | (2 184)       | (3 172)       |
| Associated companies  | 801          | 199          | 4 035         | 6 836         |
| Depreciation and amortisation   | (3 890)      | (4 012)      | (15 317)      | (14 088)      |
| Impairment losses   | 29           | (4)          | (2 280)       | (13)          |
| <b>EBITDA</b>   | <b>6 691</b> | <b>7 893</b> | <b>30 918</b> | <b>29 809</b> |
| Gains (losses) on disposal of fixed assets and operations                         | (182)        | (11)         | (309)         | (202)         |
| Workforce reductions and loss contracts   | (178)        | (118)        | (462)         | (422)         |
| <b>EBITDA before other income and expenses</b>                                    | <b>7 052</b> | <b>8 022</b> | <b>31 690</b> | <b>30 433</b> |
| Kyivstar presented as an operating segment  | 1 057        | 1 808        | 5 076         | 8 058         |
| <b>EBITDA before other income and expenses in operating segments<sup>*)</sup></b> | <b>8 109</b> | <b>9 830</b> | <b>36 766</b> | <b>38 491</b> |

| EBITDA *)    |              |              |              | Operating profit (loss) |              |              |              |
|--------------|--------------|--------------|--------------|-------------------------|--------------|--------------|--------------|
| 2009         | Margin       | 2008         | Margin       | 2009                    | Margin       | 2008         | Margin       |
| 1 252        | 35.5%        | 1 132        | 34.3%        | 933                     | 26.4%        | 914          | 27.7%        |
| 1 193        | 33.7%        | 1 288        | 33.9%        | 693                     | 19.6%        | 752          | 19.8%        |
| 439          | 19.5%        | 514          | 21.3%        | (45)                    | nm           | (35)         | nm           |
| 333          | 18.0%        | 514          | 24.8%        | 63                      | 3.4%         | 102          | 4.9%         |
| 965          | 46.4%        | 1 897        | 53.4%        | 669                     | 32.2%        | 1 169        | 32.9%        |
| 462          | 33.4%        | 590          | 36.0%        | 301                     | 21.7%        | 408          | 24.9%        |
| 953          | 32.9%        | 911          | 28.1%        | 580                     | 20.0%        | 505          | 15.6%        |
| 882          | 42.4%        | 1 025        | 43.8%        | 564                     | 27.1%        | 721          | 30.8%        |
| 716          | 52.0%        | 925          | 56.9%        | 366                     | 26.6%        | 525          | 32.3%        |
| 308          | 29.1%        | 225          | 20.3%        | (71)                    | nm           | (127)        | nm           |
| (350)        | nm           | 482          | 47.2%        | (605)                   | nm           | 261          | 25.5%        |
| 470          | 21.2%        | 336          | 15.6%        | 231                     | 10.4%        | 133          | 6.2%         |
| 13           | 0.5%         | (30)         | nm           | (210)                   | nm           | (269)        | nm           |
| 24           | -            | (19)         | -            | 33                      | -            | (13)         | -            |
| <b>7 656</b> | <b>29.2%</b> | <b>9 790</b> | <b>33.3%</b> | <b>3 499</b>            | <b>13.3%</b> | <b>5 046</b> | <b>17.2%</b> |
| 965          |              | 1 897        |              | 669                     |              | 1 169        |              |
| <b>6 691</b> | <b>27.7%</b> | <b>7 893</b> | <b>30.5%</b> | <b>2 830</b>            | <b>11.7%</b> | <b>3 877</b> | <b>15.0%</b> |

| EBITDA *)     |              |               |              | Operating profit (loss) |              |               |              | Total assets as of |                |
|---------------|--------------|---------------|--------------|-------------------------|--------------|---------------|--------------|--------------------|----------------|
| 2009          | Margin       | 2008          | Margin       | 2009                    | Margin       | 2008          | Margin       | 2009               | 2008           |
| 5 200         | 38.1%        | 4 582         | 35.6%        | 4 201                   | 30.8%        | 3 774         | 29.3%        | 8 841              | 8 479          |
| 5 167         | 35.9%        | 5 020         | 34.1%        | 3 225                   | 22.4%        | 3 009         | 20.5%        | 18 512             | 18 163         |
| 1 823         | 20.2%        | 1 943         | 20.4%        | (185)                   | nm           | (149)         | nm           | 30 276             | 32 732         |
| 1 673         | 21.4%        | 1 797         | 23.6%        | 284                     | 3.6%         | 441           | 5.8%         | 12 126             | 13 889         |
| 5 022         | 55.5%        | 8 088         | 58.5%        | 3 608                   | 39.9%        | 6 077         | 43.9%        | 7 896              | 15 173         |
| 2 242         | 40.6%        | 2 503         | 40.6%        | 1 566                   | 28.3%        | 1 800         | 29.2%        | 10 449             | 11 278         |
| 3 685         | 30.6%        | 3 946         | 32.9%        | 2 108                   | 17.5%        | 2 635         | 22.0%        | 18 300             | 22 043         |
| 3 791         | 43.4%        | 3 668         | 45.2%        | 2 466                   | 28.2%        | 2 575         | 31.7%        | 8 712              | 10 097         |
| 3 389         | 57.0%        | 2 345         | 46.4%        | 1 879                   | 31.6%        | 1 111         | 22.0%        | 9 087              | 10 959         |
| 1 051         | 24.2%        | 709           | 17.7%        | (267)                   | nm           | (310)         | nm           | 9 384              | 11 748         |
| 602           | 16.3%        | 1 757         | 44.6%        | (2 201)                 | nm           | 894           | 22.7%        | 32 900             | 30 205         |
| 1 887         | 22.0%        | 1 505         | 18.4%        | 1 005                   | 11.7%        | 745           | 9.1%         | 17 431             | 16 115         |
| 381           | 3.8%         | 72            | 0.7%         | (825)                   | nm           | (826)         | nm           | 58 422             | 51 696         |
| 31            | -            | (38)          | -            | 68                      | -            | 9             | -            | (71 880)           | (57 595)       |
| <b>35 940</b> | <b>33.7%</b> | <b>37 897</b> | <b>34.5%</b> | <b>16 929</b>           | <b>15.9%</b> | <b>21 785</b> | <b>19.8%</b> | <b>170 456</b>     | <b>194 982</b> |
| 5 022         |              | 8 088         |              | 3 608                   |              | 6 077         |              | 4 070              | 7 810          |
| <b>30 918</b> | <b>31.7%</b> | <b>29 809</b> | <b>31.0%</b> | <b>13 321</b>           | <b>13.6%</b> | <b>15 708</b> | <b>16.3%</b> | <b>166 386</b>     | <b>187 172</b> |



# 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 and revenues related to service providers and MVNOs (Mobile Virtual Network Operators).

#### 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. Telemetric is defined as machine-to-machine SIM cards (M2M), for example, vending machines and meter readings.

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.

## FIXED – NORWAY

### 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).

#### xDSL/Internet

- consist of subscription fee for xDSL and Internet and traffic charges for Internet traffic (810/815).

#### Data services

- consist of Nordicom, Frame relay and 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.

## BROADCAST

### Revenues

#### Canal Digital Group

- consists of revenues from our DTH subscribers, cable TV subscribers, households in SMATV networks and DTT subscribers in the Nordic region.

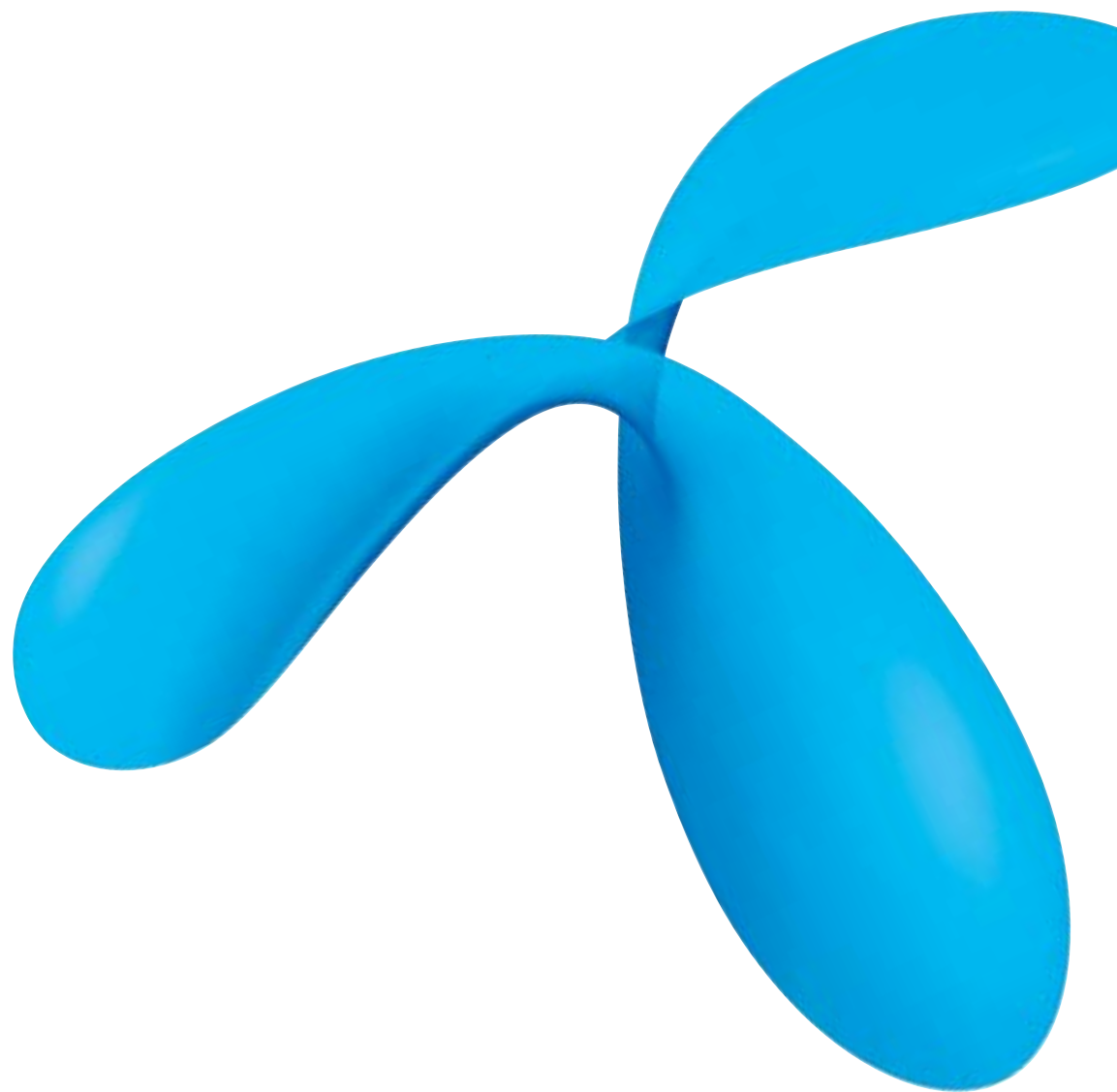
#### Transmission & Encryption

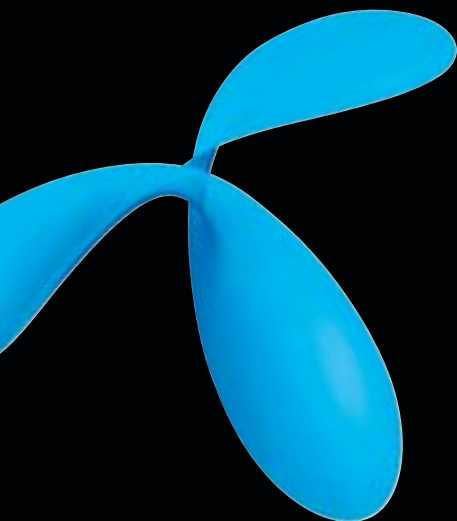
- consist of revenues from satellite services from satellite position 1-degree west, and revenues from terrestrial radio and TV transmission in Norway and revenues from conditional access systems.

#### Other

- consist of revenues not directly related to the Canal Digital Group and Transmission & Encryption.







**Forth quarter 2009**

Published by Telenor ASA  
N-1331 Fornebu, Norway  
Phone: +47 67 89 00 00

**Investor Relations:**

Phone: +47 67 89 24 70  
e-mail: [ir@telenor.com](mailto:ir@telenor.com)  
[www.telenor.com](http://www.telenor.com)