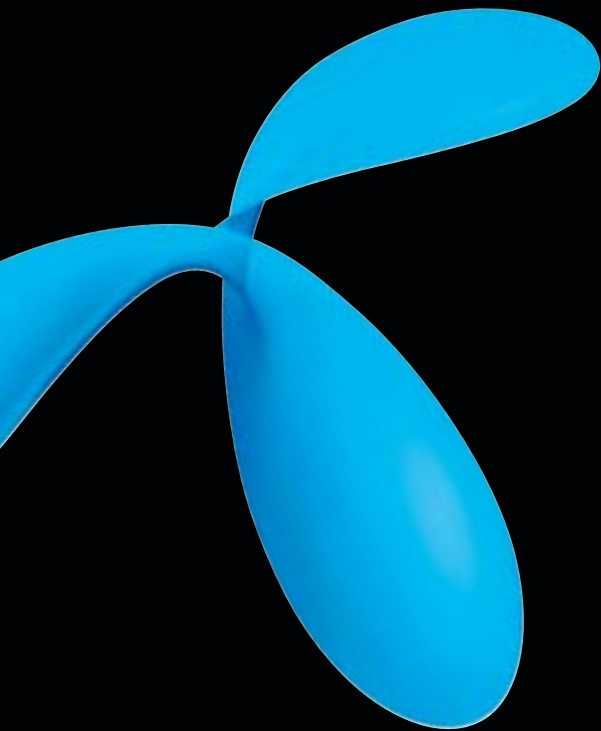


Q2 2007

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# CONTINUED GOOD PERFORMANCE

## HIGHLIGHTS SECOND QUARTER 2007

### Reported figures:

- Revenue growth of 5% – underlying growth of 12%
- EBITDA margin of 32%
- Earnings per share of NOK 1.94

### Proforma figures including Kyivstar estimates:

- Revenue growth of 19% – underlying growth of 13%
- EBITDA margin of 35%
- Earnings per share of NOK 2.24

“We are delivering another good quarter. The trends from the first quarter have continued, with high underlying revenue growth and stable EBITDA margin. Our consolidated mobile operations added more than five million subscriptions during the quarter.

We are pleased to see that Kyivstar has strengthened its market position and is estimated to further have improved its financial performance. The legal situation concerning Kyivstar has not changed from the first quarter, thus still prohibiting us from receiving financial information.

In Asia, the impressive development in DiGi and Telenor Pakistan continues. In Thailand, however, a new regulatory framework is changing the market dynamics. This has affected calling patterns and reduced average prices.

In Scandinavia, our mobile operations have secured their market positions by adding more than 100,000 customers. Fixed Norway delivers an impressive underlying margin of 37% driven by good operational efficiency during the quarter. Overall, the operating cash flow from our fixed and mobile operations in Scandinavia is stable compared to last year.”



Jon Fredrik Baksaas  
President and CEO

## KEY FIGURES\*)

	2nd quarter		1st half year		Year		
	2007		2006		2006		
	Group	Proforma Group incl. Kyivstar	Group	Group	Group	Group	
(NOK in millions except earnings per share)							
Revenues	23 155	26 155	22 003	45 601	51 401	43 287	91 077
EBITDA before other income and expenses	7 344	9 114	7 842	14 445	17 839	15 652	32 992
EBITDA before other income and expenses/Revenues (%)	31.7	34.8	35.6	31.7	34.7	36.2	36.2
Adjusted operating profit	3 942	5 229	4 364	7 601	10 055	8 692	18 271
Adjusted operating profit/Revenues (%)	17.0	20.0	19.8	16.7	19.6	20.1	20.1
Profit after taxes and minority interests (Net income)	3 253	3 767	2 284	5 929	6 909	5 934	15 920
Earnings per share from total operations, basic, in NOK	1.94	2.24	1.35	3.53	4.11	3.51	9.44
Capex	4 707	5 607	4 422	8 637	10 537	8 125	19 036
Investments in businesses	4 782	4 782	828	4 966	4 966	9 771	22 124
Net interest-bearing liabilities				46 406	-	38 210	43 255

## EXTRACT FROM OUTLOOK FOR 2007

Assuming that the majority owned operation Kyivstar in Ukraine is not consolidated in 2007, Telenor expects a revenue growth of 3% to 5% with an EBITDA margin before other income and expenses of around 32%. Capital expenditure, as a proportion of revenues, is expected to be around 20%.

Please refer to page 9 for the full outlook for 2007, and page 16 for definitions.

\*) Kyivstar is deconsolidated from 29 December 2006. Estimated figures for 2007, assuming Kyivstar was still consolidated, are included in the table above. Statements related to Kyivstar's market situation are based on public information.



## TELENOR'S OPERATIONS

Unless otherwise stated, the statements below are related to Telenor's development in the second quarter of 2007 compared to the second quarter of 2006. Additional information is available at: [www.telenor.com/ir](http://www.telenor.com/ir)

The situation in Kyivstar, as described in Telenor's annual report, has continued in the second quarter of 2007. Storm LLC (the other shareholder in Kyivstar) and Alpre, another Alfa affiliate, has commenced three actions in Ukrainian courts seeking injunctions and other relief. One injunction requested by the Alfa affiliate, Storm LLC remains in effect and prohibits Kyivstar's management from providing financial information to Kyivstar's international auditors and its shareholders, including Telenor. Telenor contests these actions to the extent permitted by the Kyivstar shareholders agreement. Consistent with that, Telenor has pursued its claims through arbitration proceedings in New York and seeks appropriate legal redress. Since Telenor has not received financial information from Kyivstar during the first and second quarter of 2007, Kyivstar is presented in one line in the balance sheet under 'Investment in Kyivstar', with the same value as of 31 December 2006, adjusted for currency effects. No profit and loss figures for Kyivstar have been included in the first and the second quarter. Figures for 2006 for the Group include unaudited figures for Kyivstar.

### NORWAY

#### Telenor Mobile – Norway

(NOK in millions)	2nd quarter		1st half year		Year
	2007	2006	2007	2006	2006
<b>Revenues</b>					
Subscription and traffic	2 154	2 170	4 216	4 193	8 582
Interconnection revenues	470	474	919	920	1 815
Other mobile revenues	568	505	1 116	1 037	2 191
Non-mobile revenues	163	124	276	228	474
<b>Total revenues</b>	<b>3 355</b>	<b>3 273</b>	<b>6 527</b>	<b>6 378</b>	<b>13 062</b>
<b>EBITDA</b>	<b>1 249</b>	<b>1 365</b>	<b>2 482</b>	<b>2 688</b>	<b>5 494</b>
<b>Operating profit</b>	<b>1 075</b>	<b>1 117</b>	<b>2 128</b>	<b>2 224</b>	<b>4 604</b>
<b>EBITDA/Total revenues (%)</b>	<b>37.2</b>	<b>41.7</b>	<b>38.0</b>	<b>42.1</b>	<b>42.1</b>
<b>Capex</b>	<b>239</b>	<b>143</b>	<b>491</b>	<b>272</b>	<b>764</b>
<b>No. of subscriptions (in thousands):</b>					
– Change in quarter/Total	19	(13)	2 766	2 709	2 723
<b>ARPU – monthly (NOK)</b>	<b>320</b>	<b>324</b>	<b>313</b>	<b>314</b>	<b>319</b>

- The subscription growth in the quarter included 66,000 contract subscriptions.
- The estimated market share remained stable at 54% compared to the previous quarter.
- ARPU decreased slightly driven by lower average prices, almost offset by increased average usage (AMPU).
- Total revenues increased by 3%. Price reductions and initiatives to encourage loyalty have led to lower revenue growth in recent quarters.
- The decrease in EBITDA margin was mainly a result of lower retail prices, higher interconnect costs due to increased traffic to other mobile operators and increased costs related to sales and marketing activities.
- Capital expenditure increased mainly due to higher investments in network capacity and UMTS investments.
- Tele2, which currently operates as an MVNO on Telenor's network, signed a four year MVNO agreement with NetCom in May 2007. The existing agreement with Telenor expires in March 2008.
- Telenor has entered into an agreement to acquire the mobile operator Talkmore for NOK 135 million (enterprise value). The transaction is subject to approval from the Norwegian Competition Authority.
- In May 2007, the Norwegian Post and Telecommunications Authority (NPT) issued a decision regarding the reduction of mobile termination charges. The decision follows the notice given by NPT in December 2006.

### Fixed – Norway

(NOK in millions)	2nd quarter		1st half year		Year
	2007	2006	2007	2006	2006
<b>Revenues</b>					
Telephony	1 370	1 627	2 783	3 330	6 308
xDSL/Internet	635	581	1 257	1 149	2 339
Data services	195	199	401	414	827
Other	304	315	630	672	1 280
<b>Total retail</b>	<b>2 504</b>	<b>2 722</b>	<b>5 071</b>	<b>5 565</b>	<b>10 754</b>
Wholesale	1 297	1 261	2 586	2 596	5 070
<b>Total revenues</b>	<b>3 801</b>	<b>3 983</b>	<b>7 657</b>	<b>8 161</b>	<b>15 824</b>
<b>EBITDA</b>	<b>1 438</b>	<b>1 417</b>	<b>2 808</b>	<b>2 807</b>	<b>5 417</b>
<b>Operating profit</b>	<b>924</b>	<b>843</b>	<b>1 779</b>	<b>1 631</b>	<b>3 142</b>
<b>EBITDA/Total revenues (%)</b>	<b>37.8</b>	<b>35.6</b>	<b>36.7</b>	<b>34.4</b>	<b>34.2</b>
<b>Capex</b>	<b>478</b>	<b>371</b>	<b>872</b>	<b>850</b>	<b>1 732</b>
<b>Investments in businesses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>88</b>
<b>No. of subscriptions – Change in quarter/Total (in thousands):</b>					
Telephony	(26)	(32)	1 433	1 545	1 480
– of which PSTN	(20)	(37)	927	1 017	965
– of which ISDN	(15)	(25)	386	454	413
– of which VoIP	9	30	120	74	102
xDSL	12	16	606	527	572

- Measured in traffic minutes, Telenor's estimated market share was 64%, slightly down from previous quarter. Estimated market share for xDSL in the retail market was 57%, in line with the previous quarter.
- Total revenues decreased by 4.6%.
- Revenues from telephony decreased due to reduction in the number of subscriptions, lower traffic volumes per subscription and price reductions implemented from 1 September 2006. The reduction in the number of PSTN/ISDN subscriptions has decreased over the last three quarters.
- Revenues from xDSL/Internet increased due to growth in the number of xDSL subscriptions.
- Wholesale revenues increased mainly as a result of growth in the number of broadband subscriptions, leased lines and international interconnect and transit traffic, partially offset by price reductions.
- The EBITDA margin increased primarily due to lower operating expenses as a result of reduction in the number of man-years and declining operation and maintenance costs, partially as an effect of cost efficiency activities. In the second quarter of 2007, EBITDA was positively affected by reversal of a provision for pension costs of NOK 26 million.
- Operating profit increased further as a result of lower depreciation and amortization due to lower capital expenditure in recent quarters.
- Capital expenditure increased due to higher investments in network capacity and IT-systems.

## SWEDEN

### Telenor Mobile – Sweden

(NOK in millions)	2nd quarter		1st half year		Year
	2007	2006	2007	2006	2006
<b>Revenues</b>					
Subscription and traffic	1 135	972	2 224	1 874	4 007
Interconnection revenues	255	235	456	441	915
Other mobile revenues	120	96	235	185	436
Non-mobile revenues	180	127	315	231	540
<b>Total revenues</b>	<b>1 690</b>	<b>1 430</b>	<b>3 230</b>	<b>2 731</b>	<b>5 898</b>
EBITDA	335	241	669	411	1 108
<b>Operating loss</b>	<b>(76)</b>	<b>(154)</b>	<b>(143)</b>	<b>(342)</b>	<b>(491)</b>
EBITDA/Total revenues (%)	19.8	16.9	20.7	15.0	18.8
Capex	170	137	309	272	608
Investments in businesses	-	8	-	7 747	7 506
No. of subscriptions (in thousands):					
– Change in quarter/Total	57	16	1 794	1 676	1 733
ARPU – monthly (NOK)	264	242	255	234	251
Exchange rate			0.8826	0.8508	0.8679

The table above includes figures from the time of consolidation, 5 January 2006.

- The subscription growth increased compared to previous quarters, with net additions of 57,000 in the second quarter of 2007.
- The estimated market share remained stable at 17% compared to the previous quarter.
- ARPU in local currency increased by 6%, mainly driven by increased average usage, partially offset by lower prices.
- Total revenues in local currency increased by 14% primarily as a result of a higher customer base and increased ARPU.
- The EBITDA margin improved mainly due to higher revenues, partially offset by increased costs related to the introduction of Glocalnet mobile services and high customer uptake for the Telenor brand. EBITDA in local currency increased by 37%.
- The regulatory authorities in Sweden (PTS) have recalculated the interconnect charges of all mobile operators with effect from 1 July 2007. The new price level is symmetric at SEK 0.55.

### Fixed – Sweden

(NOK in millions)	2nd quarter		1st half year		Year
	2007	2006	2007	2006	2006
<b>Revenues</b>	<b>915</b>	<b>866</b>	<b>1 861</b>	<b>1 593</b>	<b>3 376</b>
EBITDA	120	100	269	209	400
<b>Operating loss</b>	<b>(32)</b>	<b>(17)</b>	<b>(55)</b>	<b>(21)</b>	<b>(219)</b>
EBITDA/Total revenues (%)	13.1	11.5	14.5	13.1	11.8
Capex	126	230	289	313	582
Investments in businesses	(2)	75	151	535	540
No. of subscriptions – Change in quarter/Total (in thousands):					
Telephony	(9)	14	446	418	418
– of which PSTN	(13)	(1)	269	284	257
– of which VoIP	4	15	177	134	161
xDSL	-	17	470	359	403
LAN	2	2	179	158	172

Glocalnet is consolidated with effect from 1 March 2006, while Spray Telecom AB is consolidated from 1 January 2007.

- The increase in revenues was related to the effect of the consolidation of Spray. Organically, revenues decreased due to declining average revenues per subscription (ARPU) both for broadband and telephony, partially offset by increased number of broadband subscriptions. ARPU has decreased as a result of reduced prices and a shift towards low price products.
- In the second quarter of 2007, EBITDA was positively affected by reversal of a provision for costs related to traffic terminations in fixed networks of NOK 18 million as a result of a positive regulatory development.
- The increase in operating loss includes write-down of goodwill due to recognition of previously not recognised deferred taxes.

## DENMARK

- On 9 May 2007, Telenor entered into an agreement to acquire Tele2 Denmark for NOK 890 million. The transaction has obtained the clearance of the Danish Competition Authority and was finalised on 12 July 2007. Tele2 Denmark's mobile operation is operating as an MVNO on Sonofon's network. Please refer to page 16 for further information.

### Sonofon – Denmark

(NOK in millions)	2nd quarter		1st half year		Year
	2007	2006	2007	2006	2006
<b>Revenues</b>					
Subscription and traffic	720	630	1 432	1 252	2 638
Interconnection revenues	351	338	710	686	1 368
Other mobile revenues	133	152	286	297	628
Non-mobile revenues	241	227	468	465	967
<b>Total revenues</b>	<b>1 445</b>	<b>1 347</b>	<b>2 896</b>	<b>2 700</b>	<b>5 601</b>
EBITDA	410	307	790	612	1 380
<b>Operating profit</b>	<b>203</b>	<b>36</b>	<b>348</b>	<b>55</b>	<b>252</b>
EBITDA/Total revenues (%)	28.4	22.8	27.3	22.7	24.6
Capex	170	170	318	279	698
No. of subscriptions (in thousands):					
– Change in quarter/Total	30	11	1 468	1 310	1 398
ARPU – monthly (NOK)	245	248	248	248	252
Exchange rate			1.0899	1.0642	1.0774

- The number of subscriptions increased by 30,000 during the quarter, while Sonofon's estimated market share remained stable at 24%.
- ARPU in local currency decreased by 4%, mainly due to the interconnect regulation from 1 May 2007. The interconnect charges were reduced to DKK 0.72 according to the current regulation and will be further reduced to DKK 0.62 from 1 May 2008.
- Total revenues in local currency increased by 4%. Non-mobile revenues were positively affected by recognition of dunning fees related to previous years. Adjusted for this, total revenues increased by 2%. The lower revenue growth compared to previous quarters was primarily due to the interconnect regulation.
- EBITDA margin increased by 5.6 percentage points driven by a higher subscription base and improved gross margin derived from Sonofon's migration to its own fibre network. This was partially offset by the reduction in interconnect charges. EBITDA in local currency, adjusted as mentioned above, increased by 20%.
- Operating profit increased further as a result of lower depreciation and amortization due to certain assets becoming fully depreciated, partially offset by increased depreciations of the UMTS license and the fibre network.

### Fixed – Denmark

(NOK in millions)	2nd quarter		1st half year		Year
	2007	2006	2007	2006	2006
<b>Revenues</b>	<b>231</b>	<b>181</b>	<b>452</b>	<b>355</b>	<b>773</b>
EBITDA	67	59	135	114	237
<b>Operating profit (loss)</b>	<b>(34)</b>	<b>2</b>	<b>(30)</b>	<b>14</b>	<b>(30)</b>
EBITDA/Total revenues (%)	29.0	32.6	29.9	32.1	30.7
Capex	49	42	117	97	209
No. of subscriptions – Change in quarter/Total (in thousands):					
xDSL	6	14	192	152	174
VoIP	7	4	82	41	63

- Revenues increased due to growth in the number of xDSL and VoIP subscriptions, partially offset by lower prices on subscriptions.
- EBITDA increased mainly due to higher revenues.
- The decrease in operating profit was mainly related to write-down of goodwill due to recognition of previously not recognised deferred taxes in the business combination of Cybercity.



## CENTRAL EASTERN EUROPEAN OPERATIONS

### Pannon – Hungary

(NOK in millions)	2nd quarter		1st half year		Year
	2007	2006	2007	2006	2006
<b>Revenues</b>					
Subscription and traffic	1 016	913	2 028	1 839	3 809
Interconnection revenues	403	400	789	800	1 668
Other mobile revenues	34	35	64	58	133
Non-mobile revenues	82	79	157	143	341
<b>Total revenues</b>	<b>1 535</b>	<b>1 427</b>	<b>3 038</b>	<b>2 840</b>	<b>5 951</b>
<b>EBITDA</b>	<b>601</b>	<b>567</b>	<b>1 214</b>	<b>1 107</b>	<b>2 205</b>
<b>Operating profit</b>	<b>422</b>	<b>280</b>	<b>823</b>	<b>541</b>	<b>1 068</b>
<b>EBITDA/Total revenues (%)</b>	<b>39.2</b>	<b>39.7</b>	<b>40.0</b>	<b>39.0</b>	<b>37.1</b>
<b>Capex</b>	<b>99</b>	<b>235</b>	<b>150</b>	<b>306</b>	<b>619</b>
<b>No. of subscriptions (in thousands):</b>					
– Change in quarter/Total	48	8	3 198	2 947	3 153
<b>ARPU – monthly (NOK)</b>	<b>150</b>	<b>148</b>	<b>148</b>	<b>150</b>	<b>154</b>
<b>Exchange rate</b>			<b>0.0324</b>	<b>0.0304</b>	<b>0.0306</b>

- The number of subscriptions increased by 48,000 during the quarter, while Pannon's market share remained stable at 34%.
- ARPU in local currency decreased by 9% compared to the second quarter of 2006 mainly due to the reduction of interconnect charges from 2 February 2007. Compared to the previous quarter, ARPU remained stable.
- Total revenues in local currency decreased by approximately 3% primarily as a result of the interconnect regulation, partially offset by a higher subscription base.
- EBITDA in local currency decreased by 4% as a result of lower revenues.
- Operating profit improved as depreciation and amortization decreased due to certain assets becoming fully depreciated and declining investments in recent years.
- Capital expenditure decreased mainly due to lower 3G investments.
- The GSM 900 licence of Pannon will expire in 2008. The Ministry has suggested either a further extension of the concession agreement for 7.5 years or alternatively, a tender or auction for maximum 15 years. The price for an extension is offered to be HUF 10 billion in 2007. In case a tender or auction is preferred by the operators, the minimum price will be higher reflecting the longer licence period. In both cases, it is a requirement to invest HUF 20 billion in broadband roll-out between 1 January 2008 and 31 December 2009. Pannon is asked to give its confirmation of accepting the conditions for an extension of the concession by 4 August 2007.

### Telenor – Serbia

(NOK in millions)	2nd quarter		1st half year		Year
	2007	2006	2007	2006	2006
<b>Revenues</b>	<b>723</b>	<b>-</b>	<b>1 392</b>	<b>-</b>	<b>726</b>
<b>EBITDA</b>	<b>281</b>	<b>-</b>	<b>533</b>	<b>-</b>	<b>309</b>
<b>Operating profit</b>	<b>136</b>	<b>-</b>	<b>242</b>	<b>-</b>	<b>132</b>
<b>EBITDA/Total revenues (%)</b>	<b>38.9</b>	<b>-</b>	<b>38.3</b>	<b>-</b>	<b>42.6</b>
<b>Capex</b>	<b>167</b>	<b>-</b>	<b>275</b>	<b>-</b>	<b>163</b>
<b>Investments in businesses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11 981</b>
<b>No. of subscriptions (in thousands):</b>					
– Change in quarter/Total	87	-	2 723	-	2 464
<b>Exchange rate</b>			<b>0.1016</b>		<b>0.0956</b>

Telenor Serbia is consolidated from 1 September 2006 and is part of 'Other mobile operations' in the table on page 14.

The following comments are made against the first quarter of 2007:

- The estimated market share remained stable at 41%.
- Total revenues in local currency increased by 9% as a result of a higher customer base combined with increased average usage.
- The third mobile operator, VIP (Telekom Austria), launched its operation in Serbia in June and entered into an interconnect agreement with Telenor Serbia in July.

### Promonte – Montenegro

(NOK in millions)	2nd quarter		1st half year		Year
	2007	2006	2007	2006	2006
<b>Revenues</b>	<b>193</b>	<b>139</b>	<b>344</b>	<b>253</b>	<b>612</b>
<b>EBITDA</b>	<b>87</b>	<b>65</b>	<b>157</b>	<b>120</b>	<b>307</b>
<b>Operating profit</b>	<b>48</b>	<b>27</b>	<b>81</b>	<b>43</b>	<b>151</b>
<b>EBITDA/Total revenues (%)</b>	<b>45.1</b>	<b>46.8</b>	<b>45.6</b>	<b>47.4</b>	<b>50.2</b>
<b>Capex</b>	<b>52</b>	<b>7</b>	<b>61</b>	<b>11</b>	<b>76</b>
<b>No. of subscriptions (in thousands):</b>					
– Change in quarter/Total	57	39	429	363	365
<b>Exchange rate</b>			<b>8.1205</b>	<b>7.9396</b>	<b>8.0367</b>

Promonte is part of 'Other mobile operations' in the table on page 14.

- Total revenues in local currency increased by 34%, mainly due to higher interconnect charges from February 2007. The EBITDA margin decreased as higher revenues were partially offset by increased interconnect costs and higher costs related to sales and marketing.
- The increase in capital expenditure was related to the 3G licence acquired on 14 April 2007. On 22 June 2007, Promonte launched 3G, including HSDPA, commercially.

## ASIAN OPERATIONS

### DTAC – Thailand

(NOK in millions)	2nd quarter		1st half year		Year
	2007	2006	2007	2006	2006
<b>Revenues</b>					
Subscription and traffic	2 145	1 760	4 307	3 612	7 490
Interconnection revenues	740	33	1 369	66	146
Other mobile revenues	93	85	234	216	418
Non-mobile revenues	21	15	49	31	70
<b>Total revenues</b>	<b>2 999</b>	<b>1 893</b>	<b>5 959</b>	<b>3 925</b>	<b>8 124</b>
<b>EBITDA</b>	<b>864</b>	<b>698</b>	<b>1 736</b>	<b>1 417</b>	<b>2 944</b>
<b>Operating profit</b>	<b>344</b>	<b>363</b>	<b>713</b>	<b>745</b>	<b>1 531</b>
<b>EBITDA/Total revenues (%)</b>	<b>28.8</b>	<b>36.9</b>	<b>29.1</b>	<b>36.1</b>	<b>36.2</b>
Capex	432	543	966	1 148	2 450
Investments in businesses	-	31	-	116	116
No. of subscriptions (in thousands):					
– Change in quarter/Total	1 147	799	14 476	10 622	11 869
ARPU – monthly (NOK)	71	62	72	64	61
Exchange rate			0.1828	0.1665	0.1689

At the end of the second quarter of 2007, Telenor's economic stake in DTAC was 65.4%.

- DTAC increased the number of subscriptions by more than 1 million in the second quarter and is estimated to have held its market share at around 31%.
- Total revenues increased by 41% in local currency. This includes interconnect revenues between DTAC and AIS and True Move, which started on 1 February 2007. The revenue growth was driven by interconnect and subscription growth, partially offset by lower average prices.
- EBITDA in local currency increased by 10%, but EBITDA margin dropped to 28.8% mainly due to the introduction of the interconnect regime.
- Capital expenditure decreased slightly although investments in network capacity and network expansion continued to accommodate the increasing subscription base and usage.
- DTAC entered into a dispute resolution process with TOT (The Telephone Organization of Thailand) on 13 February 2007, following TOT's refusal to enter into negotiations for an interconnect agreement. In June 2007, the NTC's (The National Communications Commission) Dispute Resolution Committee confirmed DTAC's right to enter into an interconnect agreement with TOT. The NTC has ordered TOT and DTAC to enter into bi-lateral interconnect negotiations.
- On 30 April, DTAC's shareholders approved the Company's initial public offering on the Stock Exchange of Thailand (SET) and Restructuring plans. 222 million shares, or 9.4% of the company's total shares, were offered, of which 82 million were primary shares and 140 million were secondary shares sold by UCOM. The first day of trading on the SET was 22 June 2007. DTAC's net proceeds will be used for working capital to repay short-term debts for the year 2007 and UCOM's net proceeds will be used to repay all outstanding debt.
- On 23 January 2007, the cabinet in Thailand requested the Council of State to consider whether the concession agreements between private entities and state agencies, such as CAT (The Communications Authorities of Thailand) and TOT (The Telephone Organization of Thailand), are in compliance with the 1992 Act on Private Sector Undertaking of State Businesses. On 18 May 2007, the Council of the State ruled that DTAC's concession is valid. However, the amendments will need to be ratified by the Cabinet and a working committee has now been nominated.

### DiGi – Malaysia

(NOK in millions)	2nd quarter		1st half year		Year
	2007	2006	2007	2006	2006
<b>Revenues</b>					
Subscription and traffic	1 629	1 331	3 210	2 610	5 453
Interconnection revenues	169	127	338	293	575
Other mobile revenues	20	20	40	41	82
Non-mobile revenues	31	66	59	146	263
<b>Total revenues</b>	<b>1 849</b>	<b>1 544</b>	<b>3 647</b>	<b>3 090</b>	<b>6 373</b>
<b>EBITDA</b>	<b>876</b>	<b>700</b>	<b>1 752</b>	<b>1 400</b>	<b>2 945</b>
<b>Operating profit</b>	<b>589</b>	<b>466</b>	<b>1 177</b>	<b>914</b>	<b>1 835</b>
<b>EBITDA/Total revenues (%)</b>	<b>47.4</b>	<b>45.3</b>	<b>48.0</b>	<b>45.3</b>	<b>46.2</b>
Capex	172	199	351	425	1 309
No. of subscriptions (in thousands):					
– Change in quarter/Total	241	354	6 024	5 440	5 312
ARPU – monthly (NOK)	101	93	103	95	94
Exchange rate			1.7597	1.7509	1.7447

At the end of the second quarter of 2007, Telenor's ownership interest in DiGi was 61.0%.

- DiGi's subscriptions exceeded 6 million, showing a growth of 241,000 subscriptions in the quarter.
- ARPU measured in local currency increased by 7% due to higher outgoing traffic strengthening average usage, partially offset by lower average prices.
- Total revenues measured in local currency rose by 17% resulting from an 11% increase in the subscription base combined with increased ARPU.
- EBITDA margin improved primarily contributed by higher revenues together with lower cost of SIM cards, increased use of electronic reloads and a reduction in operating expenses relative to revenues. Measured in local currency, EBITDA increased by 23%.
- Depreciation and amortization increased by 20% mainly due to a larger asset base.
- Capital expenditure was related to network capacity expansion to cater for increasing traffic growth.



## Grameenphone – Bangladesh

(NOK in millions)	2nd quarter		1st half year		Year
	2007	2006	2007	2006	2006
<b>Revenues</b>					
Subscription and traffic	1 047	911	2 101	1 782	3 920
Interconnection revenues	102	78	192	151	359
Other mobile revenues	3	5	7	11	18
Non-mobile revenues	3	3	7	8	17
<b>Total revenues</b>	<b>1 155</b>	<b>997</b>	<b>2 307</b>	<b>1 952</b>	<b>4 314</b>
<b>EBITDA</b>	<b>540</b>	<b>488</b>	<b>1 153</b>	<b>1 147</b>	<b>2 516</b>
<b>Operating profit</b>	<b>335</b>	<b>340</b>	<b>758</b>	<b>840</b>	<b>1 836</b>
<b>EBITDA/Total revenues (%)</b>	<b>46.8</b>	<b>48.9</b>	<b>50.0</b>	<b>58.8</b>	<b>58.3</b>
Capex	1 097	516	1 821	905	2 023
No. of subscriptions (in thousands):					
– Change in quarter/Total	1 867	2 032	13 980	8 459	10 759
ARPU – monthly (NOK)	30	45	31	48	44
Exchange rate			0.0884	0.0949	0.0940

At the end of the second quarter of 2007, Telenor's ownership interest in Grameenphone was 62.0%.

- The number of subscriptions increased by 1.9 million in the second quarter of 2007 and by 5.5 million from the second quarter of 2006.
- Grameenphone's estimated market share declined by 1 percentage point from the previous quarter to 60%.
- ARPU in local currency decreased by 31% primarily due to decreasing average prices.
- Measured in local currency, total revenues increased by 22% mainly due to the subscription growth. This was partially offset by reduction in ARPU.
- The EBITDA margin decreased mainly as a result of increased marketing and acquisition costs as a result of high subscription growth and strong competition.
- Depreciation and amortization increased due to increased capital expenditure.
- Higher capital expenditure was related to increased roll-out to accommodate subscription growth and increased usage. In addition, a contract for lease of fibre optic network recognized as financial lease under IFRS has been extended by 10 years, whereby capital expenditure was increased by NOK 227 million.

## Telenor – Pakistan

(NOK in millions)	2nd quarter		1st half year		Year
	2007	2006	2007	2006	2006
<b>Revenues</b>					
Subscription and traffic	670	193	1 227	342	1 002
Interconnection revenues	158	70	277	132	275
Other mobile revenues	3	1	8	1	7
Non-mobile revenues	10	1	15	5	15
<b>Total revenues</b>	<b>841</b>	<b>265</b>	<b>1 527</b>	<b>480</b>	<b>1 299</b>
<b>EBITDA</b>	<b>59</b>	<b>(117)</b>	<b>56</b>	<b>(194)</b>	<b>(328)</b>
<b>Operating loss</b>	<b>(106)</b>	<b>(220)</b>	<b>(264)</b>	<b>(395)</b>	<b>(777)</b>
<b>EBITDA/Total revenues (%)</b>	<b>7.0</b>	<b>nm</b>	<b>3.7</b>	<b>nm</b>	<b>nm</b>
Capex	880	754	1 622	1 105	2 653
No. of subscriptions (in thousands):					
– Change in quarter/Total	1 630	678	10 701	3 205	6 661
ARPU – monthly (NOK)	28	30	28	31	29
Exchange rate			0.1005	0.1077	0.1061

Telenor Pakistan is part of 'Other mobile operations' in the table on page 14.

- Despite strong competition, Telenor Pakistan experienced a steady growth in its subscription base with net additions of 1.6 million during the quarter.
- Telenor Pakistan's estimated market share increased further by around 0.5 percentage point to 17% from the previous quarter.

- ARPU in local currency increased by 1% compared to the previous quarter primarily due to higher average usage, almost offset by lower prices.
- Total revenues in local currency increased by 26% compared to the first quarter of 2007 mainly due to subscription growth. Compared to the second quarter of 2006, total revenues more than tripled.
- EBITDA continued to improve and was positive for the second quarter of 2007.
- Capital expenditure was related to roll-out of the mobile network to accommodate the subscription growth.

## BROADCAST

(NOK in millions)	2nd quarter		1st half year		Year
	2007	2006	2007	2006	2006
<b>Revenues</b>					
Canal Digital Group	1 442	1 299	2 838	2 550	5 197
Transmission & Encryption	455	317	882	629	1 280
Other/Eliminations	(121)	(52)	(244)	(98)	(168)
<b>Total revenues</b>	<b>1 776</b>	<b>1 564</b>	<b>3 476</b>	<b>3 081</b>	<b>6 309</b>

### EBITDA

Canal Digital Group	234	251	404	485	810
Transmission & Encryption	240	191	460	366	748
Other/Eliminations	(12)	(5)	(27)	(6)	32
<b>Total EBITDA</b>	<b>462</b>	<b>437</b>	<b>837</b>	<b>845</b>	<b>1 590</b>

### Operating profit

Canal Digital Group	178	189	293	361	563
Transmission & Encryption	147	110	274	199	413
Other/Eliminations	(16)	(15)	(35)	(25)	(10)
<b>Total operating profit</b>	<b>309</b>	<b>284</b>	<b>532</b>	<b>535</b>	<b>966</b>

EBITDA/Total revenues (%)	26.0	27.9	24.1	27.4	25.2
Capex	359	106	617	198	615
Investments in businesses	-	98	-	98	219
No. of subscribers – Change in quarter/Total (in thousands):					
DTH pay TV	(10)	3	934	921	943
Cable TV	(3)	3	697	687	696
Households in satellite master antenna TV networks	(2)	(1)	1 161	1 119	1 155
Cable TV Internet access	8	3	108	81	91

Conditional access systems, previously included in Other/Eliminations in the table above, are now included in Transmission & Encryption.

- Revenues in the Canal Digital Group increased primarily due to higher number of subscribers and higher number of additional services. The decrease in EBITDA and EBITDA margin was mainly related to higher content and CRM related costs, partially offset by lower subscriber acquisition costs.
- Revenues and EBITDA in Transmission & Encryption increased due to higher sales of conditional access cards related to pay TV.
- Increased capital expenditure was related to the construction of the Norwegian digital terrestrial TV network (DTT) and upgrade of the Norwegian cable TV network.



## OTHER UNITS

(NOK in millions)	2nd quarter		1st half year		Year
	2007	2006	2007	2006	2006
<b>Revenues</b>					
EDB Business Partner	1 600	1 449	3 165	2 784	5 733
Venture	171	146	313	279	568
Corporate functions and Group activities	551	568	1 077	1 090	2 030
Other/eliminations	8	(24)	(10)	(50)	(57)
<b>Total revenues</b>	<b>2 330</b>	<b>2 139</b>	<b>4 545</b>	<b>4 103</b>	<b>8 274</b>
<b>EBITDA</b>					
EDB Business Partner	212	141	408	332	620
Venture	11	(4)	12	(21)	142
Corporate functions and Group activities	(102)	(131)	(234)	(235)	(549)
Other/eliminations	(89)	(37)	(223)	(78)	(262)
<b>Total EBITDA</b>	<b>32</b>	<b>(31)</b>	<b>(37)</b>	<b>(2)</b>	<b>(49)</b>
<b>Operating profit (loss)</b>					
EDB Business Partner	109	37	212	136	222
Venture	3	(13)	(3)	(38)	109
Corporate functions and Group activities	(196)	(229)	(420)	(411)	(943)
Other/eliminations	(98)	(39)	(241)	(80)	(278)
<b>Total operating loss</b>	<b>(182)</b>	<b>(244)</b>	<b>(452)</b>	<b>(393)</b>	<b>(890)</b>
Capex from continuing operations	218	152	384	287	738
Capex from discontinued operations	-	51	-	72	186
Investments in businesses	268	616	299	1 274	1 674

### EDB Business Partner

- Revenues increased due to both organic growth of 4% and acquisition of operations in the second quarter of 2007.
- EDB Business Partner has entered into an agreement to purchase 60% of the shares in the Ukrainian IT outsourcing company Miratech.
- Investments in businesses were mainly related to the acquisition of CEK AB.

### Venture

- The increase in revenues and EBITDA was mainly due to higher traffic revenues in Opplysningen following price increases in June 2007.
- In May 2007, Opplysningen entered into an agreement to acquire Carrot Communications ASA. The settlement will be in the form of shares in Opplysningen. After the acquisition, Telenor will hold a 27% ownership interest in Opplysningen. The transaction is expected to be finalised by the end of August 2007.

### Other

- On 25 October 2006, Telenor entered into an agreement for the sale of Telenor Satellite Services (TSS). The agreement is expected to be closed during the third quarter of 2007. TSS is presented as discontinued operations. Please refer to page 8 for further details about discontinued operations.
- In the second quarter of 2007, operating profit included an estimated loss on a contract of NOK 21 million.

## OTHER PROFIT AND LOSS ITEMS FOR THE GROUP

### Reconciliation of EBITDA

(NOK in millions)	2nd quarter		1st half year		Year
	2007	2006	2007	2006	2006
<b>EBITDA</b>	<b>7 318</b>	<b>7 814</b>	<b>14 353</b>	<b>15 563</b>	<b>32 687</b>
Gains on disposal of fixed assets and operations	(5)	(39)	(25)	(70)	(194)
Losses on disposal of fixed assets and operations	5	37	14	40	90
Workforce reductions and loss contracts	26	30	103	119	409
<b>EBITDA before other income and expenses</b>	<b>7 344</b>	<b>7 842</b>	<b>14 445</b>	<b>15 652</b>	<b>32 992</b>

- Workforce reductions and loss contracts in the second quarter of 2007 were mainly related to a loss contract in Other units.
- Workforce reductions and loss contracts in the second quarter of 2006 were mainly related to workforce reductions in the fixed and mobile Nordic operations.

### Associated companies

(NOK in millions)	2nd quarter		1st half year		Year
	2007	2006	2007	2006	2006
<b>Telenors share of <sup>1)</sup></b>					
Profit after taxes	800	368	1 190	683	1 839
Amortization of Telenor's net excess values	(52)	(3)	(56)	(7)	(16)
Write-downs of Telenor's net excess values	-	(11)	-	(11)	158
Gains (losses) on disposal of ownership interests	47	6	47	6	372
<b>Net result from associated companies</b>	<b>795</b>	<b>360</b>	<b>1 181</b>	<b>671</b>	<b>2 353</b>

<sup>1)</sup> For certain associated companies, financial statements as of the Group's balance sheet date are not available. In such instances, the most recent financial statements (as of a date not more than three months prior to the Group's balance sheet date) 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 'Net result from associated companies'. Glocalnet is included until 28 February 2006. Thereafter Glocalnet is consolidated as a subsidiary.

- At the end of the first quarter of 2007, Telenor's ownership interest in VimpelCom in Russia was 29.9%. On 11 May 2007, Telenor increased its share of VimpelCom's common stock from 29.9% to 33.6% for approximately NOK 4.5 billion. Correspondingly, Telenor increased its share of the voting stock from 26.6% to 29.9%. The value of Telenor's share of the company, based on the quoted share price as of 30 June 2007, was NOK 43 billion. According to telecom analysts, VimpelCom had approximately 59 million mobile subscriptions at the end of the second quarter of 2007.
- On 20 June 2007, Telenor entered into an agreement to sell its 17.5% ownership interest in ONE in Austria. Telenor will receive total proceeds, including repayment of its shareholder loan to ONE, of approximately EUR 190 million. The transaction is subject to approval from relevant regulatory authorities.
- As a result of a share purchase agreement between Golden Telecom, in Russia, and Corbina Telecom in May, Telenor's ownership interest in Golden Telecom decreased from 20.3% to 18.5%. This resulted in an accounting gain of approximately NOK 47 million in the second quarter of 2007. Telenor reports Golden Telecom as an associated company.



## Financial items

(NOK in millions)	2nd quarter		1st half year		Year
	2007	2006	2007	2006	2006
Financial income	123	110	226	225	903
Financial expenses	(665)	(607)	(1 274)	(1 193)	(2 306)
Net foreign currency gains (losses)	(8)	(16)	(97)	(132)	(301)
Change in fair value of financial instruments	(260)	(199)	559	(225)	1 293
Net gains (losses) and write-downs	(1)	(15)	(2)	1 800	1 878
<b>Net financial items</b>	<b>(811)</b>	<b>(727)</b>	<b>(588)</b>	<b>475</b>	<b>1 467</b>
Gross interest expenses	(645)	(609)	(1 238)	(1 185)	(2 555)
Net interest expenses	(553)	(519)	(1 081)	(1 019)	(1 811)

- The change in fair value of financial instruments was primarily related to derivatives used for economic hedge of interest-bearing liabilities that do not fulfil the requirements for hedge accounting and to the total return swap agreement in the underlying VimpelCom share.

## Taxes

- The estimated annual tax rate for 2007 is 26%. This estimate does not include any future non-taxable sales gains, like Telenor Satellite Services and ONE. The estimated effective tax rate for the two first quarters is 22% and for the second quarter only 13%. The main reason for the low tax rate in the second quarter is recognition of deferred tax assets in Fixed Sweden, partially offset by a 5 percent increase in the tax rate for non-listed telecom companies in Bangladesh with effect from 1 January 2006. Since the results from Kyivstar are not included in this quarterly report, deferred tax on retained earnings in Kyivstar is not included.

## OTHER COMMENTS FOR THE GROUP

### Balance sheet

- The net interest-bearing liabilities have increased by NOK 4.1 billion to NOK 46.4 billion during the second quarter of 2007. The increase is mainly attributable to capital expenditure payments of NOK 4.0 billion, an investment in VimpelCom ADRs of NOK 4.5 billion and dividend payment to Telenor ASA's shareholders of NOK 4.2 billion. These payments were partially offset by NOK 6.1 billion generated through operating activities and a cash inflow of NOK 1.6 billion from the DTAC Initial Public Offering (IPO) at the Stock Exchange of Thailand (SET). In relation to the IPO, goodwill decreased by NOK 198 million, minority interests increased by NOK 792 million and equity increased by NOK 519 million due to dilution of economic stake and sale of shares in DTAC.
- Kyivstar is presented in one line in the balance sheet under Investment in Kyivstar, with the same value as of 31 December 2006, adjusted for currency effects.

- Assets and liabilities directly affected by the sale of Telenor Satellite Services (TSS) are presented separately as 'Held for sale' in the balance sheet. As a consequence of this, non-current assets of NOK 1,157 million and current assets of NOK 827 million were reclassified to 'Assets held for sale' in the second quarter. Correspondingly, NOK 706 million in current and non-current liabilities related to TSS were reclassified to 'Liabilities held for sale'. For more information regarding discontinued operations, see further explanation under Discontinued Operations below.
- Translation differences reduced equity in the second quarter of 2007 by NOK 1.0 billion, due to the appreciation of the Norwegian Krone compared to most of the functional currencies of Telenor's foreign subsidiaries and associated companies as of 30 June 2007, compared to 31 March 2007.

## Discontinued Operations

- Discontinued operations remain consolidated in the Group's financial statements until disposal, which means that any internal transactions between continuing and discontinued operations are eliminated as usual in the consolidation. As a consequence, the amounts ascribed to continuing and discontinued operations are revenues and expenses only from external transactions. Prior period's profit and loss statements have been reclassified to be comparable. This means that the results presented for continuing and discontinued operations do not indicate the profit of these operations, as if they were stand-alone entities. External assets and liabilities are presented separately as held for sale in the balance sheet with effect from the time Telenor entered into the agreement. However, internal assets and liabilities have not been reclassified. The balance sheet has not been reclassified for prior periods in accordance with IFRS 5.

## International roaming regulation

- In June 2007 the European Union adopted a regulation on international roaming (voice calls) instructing considerable reductions and harmonisation of existing tariffs. Mobile operators must provide its customers with an obligatory retail tariff (Euro tariff) below specified caps both for outgoing calls and incoming calls when roaming and also supply wholesale roaming service below a specific price. From 31 August 2007, the maximum caps are 49 eurocents per minute for outgoing calls and 24 eurocents per minute for incoming calls. The wholesale cap is 30 eurocents per minute. Our operations in Sweden, Denmark and Hungary will implement the EU regulation according to the practical procedures in the third quarter of 2007. As Norway is not an EU member, the regulation does not apply automatically in Norway, but it is expected to be incorporated into Norwegian legislation from January 2008. Our operation in Norway will then implement the requirements of the EU regulation in the first quarter of 2008.

## OUTLOOK FOR 2007

Based upon the current group structure and assuming that the majority owned operation Kyivstar is not consolidated in 2007:

- We expect a growth in reported revenues of between 3% and 5%.
- The EBITDA margin before other income and expenses is expected to be around 32%.
- We expect capital expenditure as a proportion of revenues to be around 20%, mainly driven by high subscription growth within our mobile operations in emerging markets.
- 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 Krone. Political risk, including regulatory conditions, may also influence the profits. We expect seasonal variations between the quarters.

*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 interest in associated companies and joint ventures.*

*These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS34 Interim Financial Reporting. They do not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with consolidated financial statements of the Group as of and for the year ended 31 December 2006. These condensed consolidated interim financial statements are unaudited.*

*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 2007' 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. These factors include the risk factors relating to Telenor's activities described in Telenor's 2005 Annual Report on Form 20-F filed with the Securities and Exchange Commission in the USA under the headings 'Cautionary Statement Regarding Forward-Looking Statements' and 'Risk Factors' (available at [www.telenor.com/ir/](http://www.telenor.com/ir/)).*

Fornebu, 23 July 2007  
The Board of Directors of Telenor ASA

## CONSOLIDATED INCOME STATEMENT

Telenor Group

	2nd quarter			1st half year			Year	
	2007	2006		2007	2006		2006	
(NOK in millions except earnings per share)	Group	Group	Group excl. Kyivstar	Group	Group	Group excl. Kyivstar	Unaudited Group	Group excl. Kyivstar
Revenues	23 155	22 003	19 423	45 601	43 287	38 378	91 077	80 121
Costs of materials and traffic charges	6 513	5 500	5 173	12 776	10 775	10 146	22 605	21 139
Own work capitalized	(135)	(123)	(118)	(270)	(298)	(291)	(611)	(597)
Salaries and personnel costs	3 201	2 958	2 832	6 330	5 948	5 702	11 738	11 169
Other operating expenses	6 232	5 826	5 291	12 320	11 210	10 198	24 353	21 948
Other (income) and expenses	26	28	27	92	89	88	305	291
<b>EBITDA</b>	<b>7 318</b>	<b>7 814</b>	<b>6 218</b>	<b>14 353</b>	<b>15 563</b>	<b>12 535</b>	<b>32 687</b>	<b>26 171</b>
Depreciation and amortization	3 402	3 478	3 097	6 844	6 960	6 200	14 721	13 136
Write-downs	64	88	88	72	91	91	258	227
<b>Operating profit</b>	<b>3 852</b>	<b>4 248</b>	<b>3 033</b>	<b>7 437</b>	<b>8 512</b>	<b>6 244</b>	<b>17 708</b>	<b>12 808</b>
<b>Associated companies</b>	<b>795</b>	<b>360</b>	<b>360</b>	<b>1 181</b>	<b>671</b>	<b>671</b>	<b>2 353</b>	<b>2 353</b>
Net financial items	(811)	(727)	(667)	(588)	475	618	1 467	1 661
<b>Profit before taxes</b>	<b>3 836</b>	<b>3 881</b>	<b>2 726</b>	<b>8 030</b>	<b>9 658</b>	<b>7 533</b>	<b>21 528</b>	<b>16 822</b>
Taxes	(490)	(1 049)	(738)	(1 748)	(2 609)	(2 095)	(3 148)	(1 882)
Profit from continuing operations	3 346	2 832	1 988	6 282	7 049	5 438	18 380	14 940
Profit (loss) from discontinued operations	85	42	42	123	55	55	155	155
<b>Profit from total operations</b>	<b>3 431</b>	<b>2 874</b>	<b>2 030</b>	<b>6 405</b>	<b>7 104</b>	<b>5 493</b>	<b>18 535</b>	<b>15 095</b>
<b>Attributable to:</b>								
Non-controlling interests (Minority interests)	178	590	230	476	1 170	478	2 615	1 097
Equity holders of Telenor ASA (Net income)	3 253	2 284	1 800	5 929	5 934	5 015	15 920	13 998
<b>Earnings per share in NOK</b>								
From continuing operations:								
Basic	1.89	1.33	1.04	3.46	3.48	2.93	9.35	8.21
Diluted	1.88	1.33	1.04	3.45	3.47	2.93	9.35	8.21
From total operations:								
Basic	1.94	1.35	1.07	3.53	3.51	2.97	9.44	8.30
Diluted	1.93	1.35	1.07	3.53	3.51	2.96	9.44	8.30

The first half year of 2007 does not include financial information for Kyivstar.

## CONSOLIDATED BALANCE SHEET

Telenor Group

(NOK in millions)	30 June 2007	31 March 2007	30 June 2006	31 December 2006
Deferred tax assets	1 640	1 613	1 908	1 848
Goodwill	29 973	30 189	22 969	30 583
Intangible assets	26 888	27 541	22 735	27 331
Tangible assets	47 515	46 405	48 767	46 093
Associated companies	14 061	9 009	7 616	8 826
Investment in Kyivstar (unaudited)	4 515	4 655	-	4 759
Other financial assets	2 824	2 869	2 337	3 068
<b>Total non-current assets</b>	<b>127 416</b>	<b>122 281</b>	<b>106 332</b>	<b>122 508</b>
Accounts receivable	9 044	8 481	8 191	8 787
Other current assets	10 592	11 002	10 273	9 824
Assets held for sale	1 984	2 172	-	2 119
Other liquid assets	518	513	567	510
Cash and cash equivalents	6 571	5 180	7 534	4 628
<b>Total current assets</b>	<b>28 709</b>	<b>27 348</b>	<b>26 565</b>	<b>25 868</b>
<b>Total assets</b>	<b>156 125</b>	<b>149 629</b>	<b>132 897</b>	<b>148 376</b>
Shareholders equity	58 270	59 487	44 359	57 993
Minority interests	5 747	5 131	7 457	4 735
<b>Total equity and minority interests</b>	<b>64 017</b>	<b>64 618</b>	<b>51 816</b>	<b>62 728</b>
Pension obligations	2 354	2 416	2 543	2 350
Deferred tax liabilities	3 777	4 084	3 336	4 305
Other provisions	944	967	873	989
<b>Provisions</b>	<b>7 075</b>	<b>7 467</b>	<b>6 752</b>	<b>7 644</b>
Non-current interest-bearing liabilities	42 274	38 487	26 654	39 509
Non-current non-interest-bearing liabilities	1 173	1 243	583	702
<b>Total non-current liabilities</b>	<b>43 447</b>	<b>39 730</b>	<b>27 237</b>	<b>40 211</b>
Current interest-bearing liabilities	11 196	9 714	20 069	9 952
Accounts payable	7 822	6 645	6 572	7 114
Current non-interest-bearing liabilities	21 862	20 740	20 451	20 005
Current non-interest-bearing liabilities (held for sale)	706	715	-	722
<b>Total current liabilities</b>	<b>41 586</b>	<b>37 814</b>	<b>47 092</b>	<b>37 793</b>
<b>Total equity and liabilities</b>	<b>156 125</b>	<b>149 629</b>	<b>132 897</b>	<b>148 376</b>
Equity ratio including minority interests (%)	41.0	43.2	39.0	42.3

From 31 December 2006, Kyivstar is presented in one line in the balance sheet under 'Investment in Kyivstar', with the same value as of 31 December 2006, adjusted for currency effects.



## CONCOLIDATED CASH FLOW STATEMENT

Telenor Group

(NOK in millions)	2nd quarter			1st half year			Year	
	2007	2006		2007	2006		2006	
	Group	Group	Group excl. Kyivstar	Group	Group	Group excl. Kyivstar	Unaudited Group	Group excl. Kyivstar
Profit before taxes and minority interests	4 015	3 937	2 782	8 262	9 762	7 637	21 764	17 058
Income taxes paid	(761)	(524)	(209)	(1 058)	(1 162)	(714)	(357)	791
Net (gains) losses, including write-downs and change in fair value of financial items	262	212	210	(568)	(1 605)	(1 624)	(3 277)	(3 322)
Depreciation, amortization and write-downs	3 405	3 631	3 250	6 916	7 180	6 420	15 241	13 625
Associated companies	(797)	(362)	(362)	(1 184)	(674)	(674)	(2 362)	(2 362)
Difference between expensed and paid pensions	(100)	(104)	(110)	(14)	52	46	(166)	(166)
Currency (gains) losses not related to operating activities	(24)	(14)	(14)	67	95	95	219	222
Change in other accruals	106	(461)	(652)	113	(561)	(904)	(421)	(956)
Net cash flows from operating activities	6 106	6 315	4 895	12 534	13 087	10 282	30 641	24 890
Purchases of property, plant and equipment (PPE) and intangible assets	(3 960)	(4 465)	(3 679)	(8 548)	(8 562)	(6 946)	(19 224)	(15 593)
Purchases of subsidiaries and associated companies, net of cash acquired	(4 749)	(847)	(847)	(4 760)	(9 425)	(9 425)	(21 964)	(21 964)
Sales of PPE, intangible assets and businesses, net of cash transferred	1 166	34	34	1 188	472	472	1 171	1 171
Sales and purchases of other investments	759	(489)	(489)	665	1 707	1 707	3 522	3 522
Net cash flows from investing activities	(6 784)	(5 767)	(4 981)	(11 455)	(15 808)	(14 192)	(36 495)	(32 864)
Proceeds from and repayments of interest-bearing liabilities	5 833	1 214	1 214	4 701	7 399	7 399	12 578	12 578
Proceeds from issuance of shares, including from minorities in subsidiaries	554	25	25	568	86	86	110	110
Share buy-back	(23)	(87)	(87)	(43)	(87)	(87)	(953)	(953)
Dividends paid and repayment of equity to minority interests in subsidiaries	(264)	(426)	(426)	(264)	(426)	(426)	(976)	(976)
Dividends paid to Telenor's shareholders	(4 201)	(3 202)	(3 202)	(4 201)	(3 202)	(3 202)	(3 389)	(3 389)
Net cash flows from financing activities	1 899	(2 476)	(2 476)	761	3 770	3 770	7 370	7 370
Effects of exchange rate changes on cash and cash equivalents	10	(221)	(149)	(11)	(321)	(202)	(179)	(34)
Reclassified cash and cash equivalents to Investment in Kyivstar	-	-	-	-	-	-	(3 221)	-
Net change in cash and cash equivalents	1 231	(2 149)	(2 711)	1 829	728	(342)	(1 884)	(638)
Cash and cash equivalents at the beginning of the period	5 520	9 683	7 929	4 922	6 806	5 560	6 806	5 560
Cash and cash equivalents at the end of the period	6 751	7 534	5 218	6 751	7 534	5 218	4 922	4 922
Of which cash and cash equivalents in discontinued operations at the end of the period	180	-	-	180	-	-	294	294
Cash and cash equivalents at the end of the period in continuing operations	6 571	7 534	5 218	6 571	7 534	5 218	4 628	4 628

The statement includes cash flows from discontinued operations prior to their disposal.

(NOK in millions)	2nd quarter			1st half year			Year	
	2007	2006		2007	2006		2006	
	Group	Group	Group excl. Kyivstar	Group	Group	Group excl. Kyivstar	Unaudited Group	Group excl. Kyivstar
<b>Cash Flows from discontinued operations</b>								
Net cash flows from operating activities	115	94	94	150	153	153	485	485
Net cash flows from investing activities	(33)	(61)	(61)	(55)	(86)	(86)	(197)	(197)
Net cash flows from financing activities	(4)	-	-	(4)	-	-	(3)	(3)

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 first half year of 2007 does not include financial information for Kyivstar.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(NOK in millions)	Attributable to equity holders of Telenor ASA						
	Total paid capital	Other reserves	Retained earnings	Cumulative translation differences	Total	Minority interest	Total equity
<b>Balance as of 31 December 2005</b>	<b>25 157</b>	<b>3 078</b>	<b>18 256</b>	<b>(92)</b>	<b>46 399</b>	<b>7 134</b>	<b>53 533</b>
Translation differences	-	-	-	1 672	1 672	(204)	1 468
Business combinations and increased ownership interests in subsidiaries	-	(25)	-	-	(25)	-	(25)
Available-for-sale investments	-	(1 741)	-	-	(1 741)	(6)	(1 747)
Cash flow hedges	-	(38)	-	-	(38)	(11)	(49)
Tax on items taken directly to or transferred from equity	-	(8)	-	31	23	3	26
<b>Net income (loss) recognized directly in equity</b>	<b>-</b>	<b>(1 812)</b>	<b>-</b>	<b>1 703</b>	<b>(109)</b>	<b>(218)</b>	<b>(327)</b>
Profit for the year 2006 excl. Kyivstar	-	-	13 998	-	13 998	1 097	15 095
Profit from Kyivstar*	-	-	1 922	-	1 922	1 518	3 440
<b>Total recognized income and expense for the period*</b>	<b>-</b>	<b>(1 812)</b>	<b>15 920</b>	<b>1 703</b>	<b>15 811</b>	<b>2 397</b>	<b>18 208</b>
Dividends	-	-	(3 389)	-	(3 389)	(287)	(3 676)
Share buy back	(901)	-	-	-	(901)	(28)	(929)
Sale of shares, share issue, and share options to employees	104	11	-	-	115	15	130
Equity adjustments in associated companies	-	(42)	-	-	(42)	-	(42)
Transactions with minorities in subsidiaries	-	-	-	-	-	(844)	(844)
Reclassification to investment in Kyivstar*	-	-	-	-	-	(3 652)	(3 652)
<b>Balance as of 31 December 2006</b>	<b>24 360</b>	<b>1 235</b>	<b>30 787</b>	<b>1 611</b>	<b>57 993</b>	<b>4 735</b>	<b>62 728</b>
Translation differences	-	-	-	(1 840)	(1 840)	(6)	(1 846)
Business combinations and increased ownership interests in subsidiaries	-	7	-	-	7	-	7
Available-for-sale investments:							
– Valuation gains (losses) taken to equity	-	26	-	-	26	(1)	25
Cash flow hedges:							
– Valuation gains (losses) taken to equity	-	(38)	-	-	(38)	(20)	(58)
Tax on items taken directly to or transferred from equity	-	21	-	(302)	(281)	6	(275)
<b>Net income (loss) recognized directly in equity</b>	<b>-</b>	<b>16</b>	<b>-</b>	<b>(2 142)</b>	<b>(2 126)</b>	<b>(21)</b>	<b>(2 147)</b>
Profit for the period	-	-	5 929	-	5 929	476	6 405
<b>Total recognized income and expenses for the period</b>	<b>-</b>	<b>16</b>	<b>5 929</b>	<b>(2 142)</b>	<b>3 803</b>	<b>455</b>	<b>4 258</b>
Dividends	-	-	(4 201)	-	(4 201)	(313)	(4 514)
Share buy back	(24)	-	-	-	(24)	(29)	(53)
Sale of shares, share issue, and share options to employees	7	14	-	-	21	13	34
Equity adjustments in associated companies	-	159	-	-	159	-	159
Transactions with minorities in subsidiaries	-	519	-	-	519	886	1 405
<b>Balance as of 30 June 2007</b>	<b>24 343</b>	<b>1 943</b>	<b>32 515</b>	<b>(531)</b>	<b>58 270</b>	<b>5 747</b>	<b>64 017</b>

\*1) Unaudited

(NOK in millions)	Attributable to equity holders of Telenor ASA						
	Total paid capital	Other reserves	Retained earnings	Cumulative translation differences	Total	Minority interest	Total equity
<b>Balance as of 31 December 2005</b>	<b>25 157</b>	<b>3 078</b>	<b>18 256</b>	<b>(92)</b>	<b>46 399</b>	<b>7 134</b>	<b>53 533</b>
Translation differences	-	-	-	(1 933)	(1 933)	(363)	(2 296)
Business combinations and increased ownership interests in subsidiaries	-	(1)	-	-	(1)	-	(1)
Available-for-sale investments	-	(1 716)	-	-	(1 716)	(4)	(1 720)
Cash flow hedges	-	(51)	-	-	(51)	1	(50)
Tax on items taken directly to or transferred from equity	-	14	-	(102)	(88)	-	(88)
<b>Net income (loss) recognized directly in equity</b>	<b>-</b>	<b>(1 754)</b>	<b>-</b>	<b>(2 035)</b>	<b>(3 789)</b>	<b>(366)</b>	<b>(4 155)</b>
Profit for the period excl. Kyivstar	-	-	5 015	-	5 015	478	5 493
Profit from Kyivstar	-	-	919	-	919	692	1 611
<b>Total recognized income and expense for the period</b>	<b>-</b>	<b>(1 754)</b>	<b>5 934</b>	<b>(2 035)</b>	<b>2 145</b>	<b>804</b>	<b>2 949</b>
Dividends	-	-	(3 389)	-	(3 389)	(46)	(3 435)
Share buy back	(800)	-	-	-	(800)	(28)	(828)
Sale of shares, share issue, and share options to employees	37	9	-	-	46	8	54
Equity adjustments in associated companies	-	(42)	-	-	(42)	-	(42)
Transactions with minorities in subsidiaries	-	-	-	-	-	(415)	(415)
<b>Balance as of 30 June 2006</b>	<b>24 394</b>	<b>1 291</b>	<b>20 801</b>	<b>(2 127)</b>	<b>44 359</b>	<b>7 457</b>	<b>51 816</b>

The first half year of 2007 does not include financial information for Kyivstar.



## THE OPERATIONS

### Second quarter

(NOK in millions)	Total revenues			of which internal	
	2007	2006	Growth	2007	2006
Mobile – Norway	3 355	3 273	2.5%	212	257
Sonofon – Denmark	1 445	1 347	7.3%	39	48
Mobile – Sweden	1 690	1 430	18.2%	49	27
Kyivstar – Ukraine	-	2 580	nm	-	1
Pannon – Hungary	1 535	1 427	7.6%	7	2
DTAC – Thailand	2 999	1 893	58.4%	8	8
DiGi – Malaysia	1 849	1 544	19.8%	2	1
Grameenphone – Bangladesh	1 155	997	15.8%	-	1
Other mobile operations	1 757	404	nm	15	2
Fixed	4 954	4 999	nm	554	471
Broadcast	1 776	1 564	13.6%	41	38
Other operations	2 330	2 139	8.9%	653	657
Eliminations	(1 690)	(1 594)	nm	(1 580)	(1 513)
<b>Group</b>	<b>23 155</b>	<b>22 003</b>	<b>5.2%</b>	-	-
Kyivstar	-	2 580	-	-	-
<b>Group excl. Kyivstar</b>	<b>23 155</b>	<b>19 423</b>	<b>19.2%</b>	-	-

### First half-year

(NOK in millions)	Total revenues			of which internal	
	2007	2006	Growth	2007	2006
Mobile – Norway	6 527	6 378	2.3%	438	523
Sonofon – Denmark	2 896	2 700	7.3%	85	78
Mobile – Sweden	3 230	2 731	18.3%	88	75
Kyivstar – Ukraine	-	4 909	-	-	1
Pannon – Hungary	3 038	2 840	7.0%	11	5
DTAC – Thailand	5 959	3 925	51.8%	28	19
DiGi – Malaysia	3 647	3 090	18.0%	3	3
Grameenphone – Bangladesh	2 307	1 952	18.2%	-	1
Other mobile operations	3 263	733	nm	26	4
Fixed	9 942	10 066	nm	1 019	989
Broadcast	3 476	3 081	12.8%	79	73
Other operations	4 545	4 103	10.8%	1 237	1 295
Eliminations	(3 229)	(3 221)	nm	(3 014)	(3 066)
<b>Group</b>	<b>45 601</b>	<b>43 287</b>	<b>5.3%</b>	-	-
Kyivstar	-	4 909	-	-	-
<b>Group excl. Kyivstar</b>	<b>45 601</b>	<b>38 378</b>	<b>18.8%</b>	-	-



EBITDA		Operating profit (loss)				Profit (loss) before taxes and minority interests			
2007	Margin	2006	Margin	2007	Margin	2006	Margin	2007	2006
1 249	37.2%	1 365	41.7%	1 075	32.0%	1 117	34.1%	1 121	1 156
410	28.4%	307	22.8%	203	14.0%	36	2.7%	29	(19)
335	19.8%	241	16.9%	(76)	nm	(154)	nm	(85)	(174)
-	-	1 596	61.9%	-	-	1 215	47.1%	-	1 155
601	39.2%	567	39.7%	422	27.5%	280	19.6%	451	274
864	28.8%	698	36.9%	344	11.5%	363	19.2%	228	273
876	47.4%	700	45.3%	589	31.9%	466	30.2%	599	476
540	46.8%	488	48.9%	335	29.0%	340	34.1%	315	327
427	24.3%	(52)	nm	78	4.4%	(193)	nm	786	154
1 630	32.9%	1 567	31.3%	863	17.4%	819	16.4%	989	742
462	26.0%	437	27.9%	309	17.4%	284	18.2%	261	210
32	1.4%	(31)	nm	(182)	nm	(244)	nm	(752)	(611)
(108)	nm	(69)	nm	(108)	nm	(81)	nm	(106)	(82)
<b>7 318</b>	<b>31.6%</b>	<b>7 814</b>	<b>35.5%</b>	<b>3 852</b>	<b>16.6%</b>	<b>4 248</b>	<b>19.3%</b>	<b>3 836</b>	<b>3 881</b>
-	-	1 596	61.9%	-	-	1 215	47.1%	-	1 155
<b>7 318</b>	<b>31.6%</b>	<b>6 218</b>	<b>32.0%</b>	<b>3 852</b>	<b>16.6%</b>	<b>3 033</b>	<b>15.6%</b>	<b>3 836</b>	<b>2 726</b>

EBITDA		Operating profit (loss)				Profit (loss) before taxes and minority interests			
2007	Margin	2006	Margin	2007	Margin	2006	Margin	2007	2006
2 482	38.0%	2 688	42.1%	2 128	32.6%	2 224	34.9%	2 209	2 285
790	27.3%	612	22.7%	348	12.0%	55	2.0%	(9)	(56)
669	20.7%	411	15.0%	(143)	nm	(342)	nm	(161)	(362)
-	-	3 028	61.7%	-	-	2 268	46.2%	-	2 125
1 214	40.0%	1 107	39.0%	823	27.1%	541	19.0%	874	569
1 736	29.1%	1 417	36.1%	713	12.0%	745	19.0%	439	541
1 752	48.0%	1 400	45.3%	1 177	32.3%	914	29.6%	1 195	934
1 153	50.0%	1 147	58.8%	758	32.9%	840	43.0%	721	781
746	22.9%	(74)	nm	59	1.8%	(352)	nm	1 126	259
3 214	32.3%	3 126	31.1%	1 696	17.1%	1 617	16.1%	1 893	1 447
837	24.1%	845	27.4%	532	15.3%	535	17.4%	442	2 196
(37)	nm	(2)	nm	(452)	nm	(393)	nm	(499)	(919)
(203)	nm	(142)	nm	(202)	nm	(140)	nm	(200)	(142)
<b>14 353</b>	<b>31.5%</b>	<b>15 563</b>	<b>36.0%</b>	<b>7 437</b>	<b>16.3%</b>	<b>8 512</b>	<b>19.7%</b>	<b>8 030</b>	<b>9 658</b>
-	-	3 028	61.7%	-	-	2 268	46.2%	-	2 125
<b>14 353</b>	<b>31.5%</b>	<b>12 535</b>	<b>32.7%</b>	<b>7 437</b>	<b>16.3%</b>	<b>6 244</b>	<b>16.3%</b>	<b>8 030</b>	<b>7 533</b>



## DEFINITIONS

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

## 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.

#### Interconnection

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

#### 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.

## BUSINESS COMBINATIONS

### Tele2 Denmark

On 12 July 2007, Telenor acquired 100% of the issued share capital of Tele2 A/S, Denmark. The aggregate cost of the business combination was NOK 890 million, of which NOK 509 million was paid in cash for the shares and liabilities of NOK 381 million assumed from the former owner. The value was set based on fair value after negotiations between the parties. The transaction is not included in the financial statement as of 30 June 2007. The transaction will be accounted for by the acquisition method of accounting.

### Mobile revenues from company's own subscriptions

– consist of 'Subscription and traffic' and 'Interconnection 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

– consist of revenues from pay TV subscribers and basic tier households on DTH (direct to home), cable TV subscribers, households in SMATV networks and DTT (Digital terrestrial TV) pay TV subscribers.

#### Transmission & Encryption

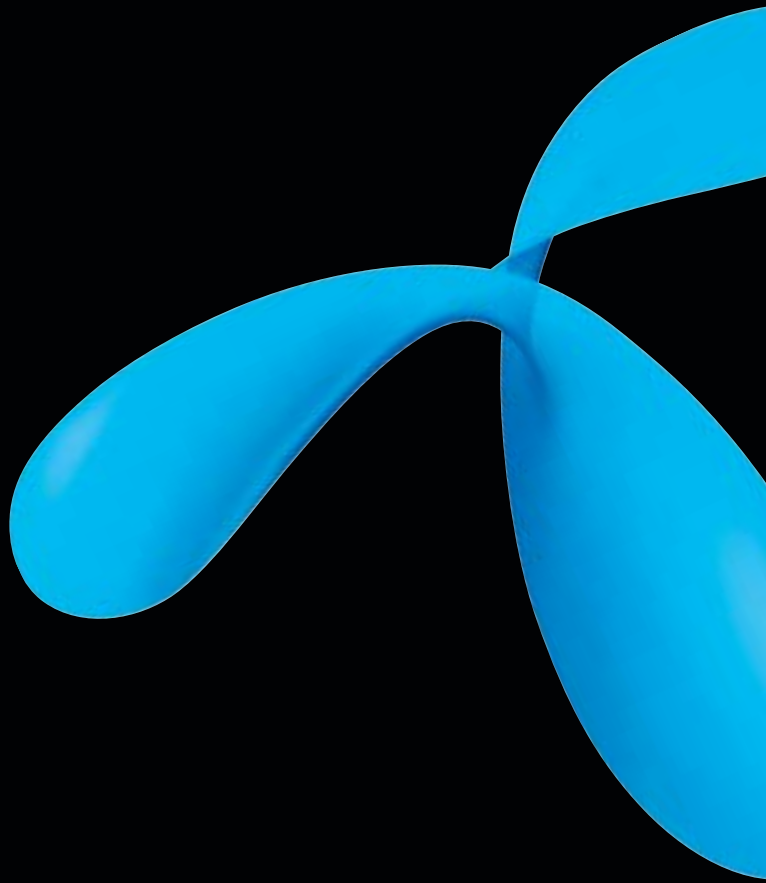
– consist of revenues from satellite services from satellite position 1-degree west, and revenues from terrestrial radio and TV transmission in Norway and revenues from conditional access systems.

#### Other

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

Tele2 Denmark offers both fixed, mobile and IP telephony, in addition to internet and broadband services to residential and business customers in Denmark.

The initial purchase price allocation, which will be performed by independent financial experts, has not been completed as of 23 July 2007 and it is impracticable to provide figures of the fair values of assets acquired and liabilities assumed.





**SECOND QUARTER 2007**

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