



Q2 / 2012

Interim report
January–June 2012

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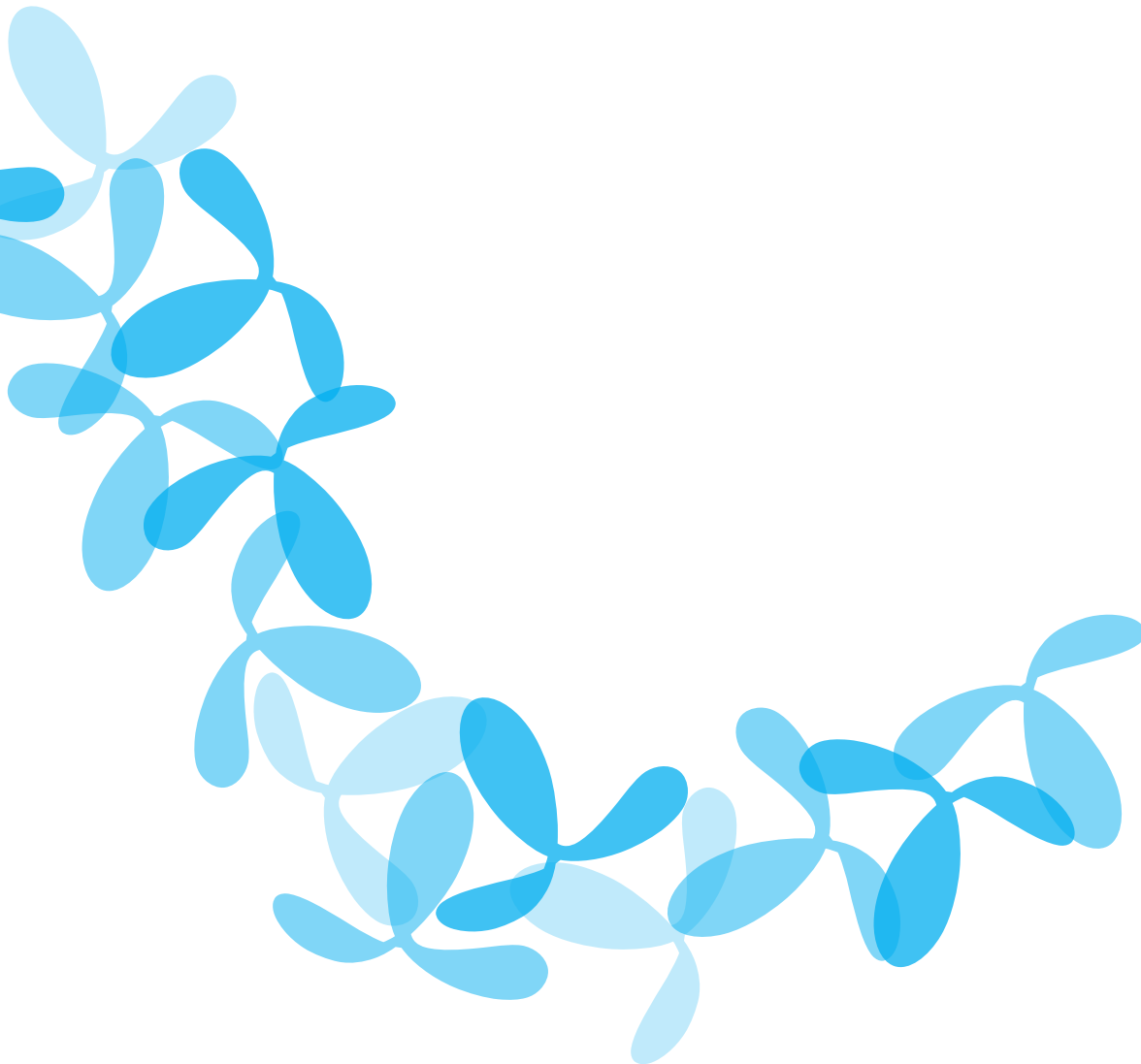
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Sound operational performance

Highlights second quarter 2012

- Organic revenue growth of 5%¹⁾
- EBITDA margin of 32%
- Operating cash flow of NOK 5.1 billion²⁾
- Earnings per share of NOK 1.31

Highlights first half year 2012

- Organic revenue growth of 6%¹⁾
- EBITDA margin of 31%
- Operating cash flow of NOK 10.4 billion²⁾
- Earnings per share of NOK 1.68

Jon Fredrik Baksaas
Jon Fredrik Baksaas
President & CEO

“The Telenor Group’s improved operational performance resulted in more than five per cent organic revenue growth and solid margin improvement in the second quarter. Our presence in the Nordic region and the growing Asian economies demonstrates the benefits of the geographical diversification in the Group. Our consolidated mobile operations added five million new customers during this period, bringing the subscription base above the 150 million mark.

In Norway, we continue to invest to strengthen our superior coverage position, enable new content services and manage the rapid transition to data. So far this year, we have invested two billion Norwegian kroner and expect to invest four billion this year. I am also pleased to see our Norwegian mobile operation steadily improving its performance through healthy customer growth and lower operating expenses. The migration to bundled tariffs continues and contributes to revenue growth. The decline in fixed telephony continues and requires further efforts to maintain profitability.

We see continued good development in Telenor Pakistan and in DiGi in Malaysia with strong growth and margins. The Broadcast business delivers another solid quarter following good performance in all areas. Challenging market conditions in Denmark and Bangladesh resulted in weaker than expected revenue development this quarter.

Uninor in India managed to add more than two million subscribers this quarter. Impressive efforts are being made to keep up momentum during this challenging period. As a response to the uncertain regulatory environment we are now re-allocating resources to the nine most profitable circles. In this manner, we aim to shorten the time and reduce the cost for the operation to become self-financed, thereby reducing the risk of the India investment.

At the Corporate Assembly 16 May 2012, Mr. Svein Aaser was elected as the new Chairman of the Board of Directors of Telenor ASA.

For the third year in a row, we initiate a new share buyback programme of three per cent of the outstanding shares. With this buyback programme as a supplement to the dividends paid in May a total of approximately 12.6 billion Norwegian kroner will be returned to our shareholders in 2012, thereby confirming our ambition to deliver healthy shareholder remuneration.”

Key figures Telenor Group

	2nd quarter		1st half year		Year
	2012 Group	2011 Group	2012 Group	2011 Group	2011 Group
(NOK in millions except earnings per share)					
Revenues	25,357	24,359	50,475	48,452	98,516
EBITDA before other income and expenses	8,041	7,457	15,780	14,816	30,526
EBITDA before other income and expenses/Revenues (%)	31.7	30.6	31.3	30.6	31.0
Adjusted operating profit ³⁾	4,485	3,537	8,489	7,191	15,217
Adjusted operating profit/Revenues (%)	17.7	14.5	16.8	14.8	15.4
Profit after taxes and non-controlling interests	2,065	4,492	2,648	7,285	7,165
Earnings per share from total operations, basic, in NOK	1.31	2.77	1.68	4.48	4.45
Capex	2,959	2,714	5,641	5,324	11,907
Capex excl. licences and spectrum	2,904	2,678	5,392	5,082	11,441
Capex excl. licences and spectrum/Revenues (%)	11.5	11.0	10.7	10.5	11.6
Operating cash flow ²⁾	5,136	4,779	10,388	9,735	19,085
Net interest-bearing liabilities	-	-	28,612	22,165	18,222

Extract from outlook for 2012

Based on the current group structure not including Uninor and with currency rates as of 30 June 2012, Telenor expects organic revenue¹⁾ growth above 4%. The EBITDA margin before other income and expenses is expected to be in the range of 35-36%, while capital expenditure as a proportion of revenues, excluding licences and spectrum, is expected to be in the range of 11-12%.

Please refer to page 10 for the full outlook for 2012, and page 21 for definitions.

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

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

³⁾ Adjusted operating profit is defined as Operating profit less other income and expenses and impairment losses.

Interim report

Telenor's operations

The statements below are related to Telenor's development in the second quarter of 2012 compared to the second quarter of 2011, unless otherwise stated. All comments on EBITDA are made on development in EBITDA before other income and expenses (other items). Please refer to page 8 for 'Specification of other income and expenses'. Additional information is available at: www.telenor.com/ir



Norway

(NOK in millions)	2nd quarter		1st half year		Year
	2012	2011	2012	2011	2011
Revenues mobile operation					
Subscription and traffic	2,563	2,361	4,981	4,761	9,623
Interconnect revenues	277	266	548	531	1,074
Other mobile revenues	338	319	669	630	1,318
Non-mobile revenues	195	183	433	415	887
Total revenues mobile operation	3,373	3,128	6,631	6,337	12,903
Revenues fixed operation					
Telephony	765	869	1,567	1,771	3,433
Internet and TV	1,214	1,180	2,391	2,349	4,735
Data services	133	132	259	268	529
Other fixed revenues	335	325	686	639	1,372
Total retail revenues	2,447	2,506	4,904	5,028	10,069
Wholesale revenues	507	549	1,014	1,112	2,192
Total revenues fixed operation	2,954	3,056	5,918	6,140	12,262
Total revenues	6,327	6,184	12,549	12,477	25,165

EBITDA before other items	2,677	2,470	5,119	5,079	9,973
Operating profit	1,954	1,462	3,676	3,295	6,295

EBITDA before other items/Total revenues (%)	42.3	39.9	40.8	40.7	39.6
Capex	944	1,050	1,919	1,895	3,718
Investments in businesses	-	22	-	39	40

Mobile ARPU - monthly (NOK)	299	287	292	289	290
Fixed Telephony ARPU	260	271	263	273	270
Fixed Internet ARPU	310	314	308	314	313
TV ARPU	254	234	247	232	240

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

Mobile	23	18	3,175	3,064	3,146
Fixed telephony	(21)	(23)	971	1,059	1,016
Fixed Internet	(6)	(3)	855	852	860
TV	3	3	510	505	504

- The number of total mobile subscriptions increased by 23,000 due to growth in both mobile phone and mobile broadband subscriptions. At the end of the second quarter, the mobile subscription base was 4% higher compared to the same quarter last year.
- Reported mobile ARPU increased by 4%. Adjusted for one-time effects in second quarter last year mainly related to network outage, mobile ARPU increased by 1% as higher data revenues and subscription fees on bundled tariffs more than offset reduced voice and SMS revenues.
- Around 766,000 or 52% of the subscriptions in the postpaid consumer segment are now on the new bundled tariffs launched spring 2011.
- Total revenues increased by 2%.
- Mobile revenues increased by 8%. Adjusted for one-time revenue effect last year, mobile revenues increased by 5% mainly as a result of growth in the subscription base and increased ARPU.
- Fixed revenues decreased by 3%. Reduced number of telephony subscriptions combined with lower ARPU and lower wholesale revenues was partly offset by increased TV revenues. Decline in fixed telephony affects gross margin negatively with around 1 percentage point.
- Operating expenses decreased by 5% mainly due to decreased sales and marketing cost related to launch of new mobile portfolio last year.
- The EBITDA margin increased by 2 percentage points mainly due to increased mobile revenues and reduced operating expenses.
- Capital expenditure decreased slightly compared to second quarter last year when the modernisation of the mobile access network was running at full speed. However, the network investments were substantial also this quarter and reflect Telenor's ambitions to invest in high speed fixed and mobile networks with superior coverage and capacity.
- In June 2012, the Norwegian Post and Telecommunications Authority upheld its decision regarding full mobile termination rate symmetry from 1 January 2013.

Sweden

(NOK in millions)	2nd quarter		1st half year		Year
	2012	2011	2012	2011	2011
Revenues mobile operation					
Subscription and traffic	1,277	1,276	2,554	2,555	5,085
Interconnect revenues	174	203	346	388	729
Other mobile revenues	74	77	156	153	331
Non-mobile revenues	466	284	860	559	1,509
Total revenues mobile operation	1,992	1,841	3,915	3,655	7,654
Revenues fixed operation	607	681	1,229	1,375	2,652
Total revenues	2,599	2,522	5,144	5,030	10,307

EBITDA before other items	617	638	1,244	1,290	2,497
Operating profit (loss)	241	148	581	341	840

EBITDA before other items/Total revenues (%)	23,8	25,3	24,2	25,6	24,8
Capex	284	265	527	757	1,487
Investments in businesses	143	-	143	-	-

Mobile ARPU - monthly (NOK)	213	235	215	236	229
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No. of subscriptions - Change in quarter/Total (in thousands):

Mobile	47	45	2,294	2,119	2,214
Fixed telephony	(6)	(12)	343	364	354
Fixed Internet	(8)	(15)	497	518	509
TV	2	2	264	256	257

Exchange rate			0.8529	0.8756	0.8631
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- The number of mobile subscriptions increased by 47,000 during the quarter, reflecting the strong growth in consumer voice subscriptions. At the end of the quarter, the subscription base was 8% higher than at the end of the second quarter last year.
- Mobile ARPU in local currency decreased by 7% driven by lower prices, reduced messaging usage and reduced interconnect rates, partly offset by increased data usage.
- Total revenues in local currency increased by 5%.
- Mobile revenues in local currency increased by 11% mainly due to higher handsets revenues. The effect from larger subscription base was partly offset by reduced ARPU.
- Fixed revenues in local currency decreased by 9% driven by the reduced number of telephony and Internet subscriptions combined with lower telephony ARPU.
- The EBITDA margin decreased by 2 percentage points mainly due to rise in handset sales with low margin and increased sales and customer care costs following higher sales volumes. EBITDA in local currency decreased by 1%. Excluding one off effects in both quarters, the EBITDA margin increased by 1 percentage point.
- Capital expenditures excluding licence fees increased by 25% compared to last year as a consequence of the 4G rollout together with continued 3G network modernisation.
- On 13 June 2012, Telenor Sweden acquired Open Broadbandnet Sweden AB.

Denmark

(NOK in millions)	2nd quarter		1st half year		Year
	2012	2011	2012	2011	2011
Revenues mobile operation					
Subscription and traffic	741	826	1,486	1,710	3,411
Interconnect revenues	153	232	341	484	900
Other mobile revenues	50	215	103	376	569
Non-mobile revenues	258	266	543	442	1,057
Total revenues mobile operation	1,202	1,539	2,473	3,012	5,936
Revenues fixed operation	227	277	458	553	1,056
Total revenues	1,429	1,816	2,931	3,566	6,992

EBITDA before other items	283	505	579	934	1,782
Operating profit	105	269	162	469	814

EBITDA before other items/Total revenues (%)	19,8	27,8	19,8	26,2	25,5
Capex	213	169	349	368	655
Investments in businesses	-	24	-	24	24

Mobile ARPU - monthly (NOK)	148	179	153	185	180
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No. of subscriptions - Change in quarter/Total (in thousands):

Mobile	34	(1)	2,020	1,980	2,007
Fixed telephony	(16)	(4)	158	211	183
Fixed Internet	(7)	(5)	197	231	218

Exchange rate			1.0186	1.0494	1.0459
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- The number of mobile subscriptions increased by 34,000 during the quarter, mainly as a result of an increase in the prepaid segment. Compared to the end of the same period last year, the mobile subscription base increased by 2%.
- Mobile ARPU in local currency decreased by 15%, of which half was due to reduced interconnect rates and the other half as a consequence of the general price erosion in the market.
- Total revenues decreased by DKK 325 million compared to second quarter 2011, of which DKK 127 million related to wholesale, DKK 87 million to mobile retail and DKK 41 million to fixed. In addition, interconnect revenues decreased by DKK 70 million of which 92 million follows rate reductions partly offset by 22 million in volume increases.
- The EBITDA margin declined by 8 percentage points mainly due to reduced revenues as explained above while operating expenditure remained stable.
- On 27 June 2012, TT-Netværket P/S, Telenor's and Telia's joint Danish infrastructure company, acquired 2x10 MHz spectrum in the 800 MHz frequency band at the cost of DKK 111.5 million, of which Telenor's proportionate share is recorded as capex this quarter.

Hungary

(NOK in millions)	2nd quarter		1st half year		Year
	2012	2011	2012	2011	2011
Revenues					
Subscription and traffic	748	877	1,494	1,683	3,347
Interconnect revenues	147	209	300	401	789
Other mobile revenues	21	24	40	49	95
Non-mobile revenues	49	51	95	105	258
Total revenues	965	1,161	1,930	2,239	4,488
EBITDA before other items	339	416	690	794	1,537
Operating profit	233	172	471	349	741
EBITDA before other items/ Total revenues (%)	35.2	35.9	35.8	35.4	34.2
Capex	88	61	350	122	426
No. of subscriptions - Change in quarter/ Total (in thousands):	(47)	(23)	3,263	3,370	3,370
ARPU - monthly (NOK)	91	108	90	102	102
Exchange rate			0.0256	0.0290	0.0280

- The number of subscriptions decreased by 47,000 during the quarter, due to cancellation of non-revenue generating prepaid subscriptions. At the end of the quarter, the subscription base was 3% lower than at the end of second quarter 2011.
- ARPU in local currency decreased by 3% mainly due to reduced interconnect rates from 1 January 2012.
- Revenues in local currency decreased by 5% mainly due to a lower subscription base and lower ARPU.
- The EBITDA margin decreased by 1 percentage point as reduced revenues and the effect of a one-off provision reversal in second quarter 2011 more than offset reduced interconnect costs and lower sales and marketing costs. In this quarter, NOK 58 million was recognised for the telecommunication tax. Adjusted for the telecommunication tax, the EBITDA margin was 41%.
- Starting from 1 July 2012, a new telecom tax is charged from the telecom operators at a rate of HUF 2 per minute/SMS. The current telecom tax levied on the telecom operators back in 2010 continues to apply until the end of 2012. This tax is challenged by the European Commission and referred to the European Court of Justice.

Serbia

(NOK in millions)	2nd quarter		1st half year		Year
	2012	2011	2012	2011	2011
Revenues					
Subscription and traffic	463	511	915	972	2,022
Interconnect revenues	144	155	285	287	601
Other mobile revenues	33	36	60	71	144
Non-mobile revenues	34	35	69	64	143
Total revenues	674	738	1,329	1,395	2,911
EBITDA before other items	265	327	522	605	1,214
Operating profit	191	181	360	325	623
EBITDA before other items/ Total revenues (%)	39.4	44.4	39.3	43.4	41.7
Capex	61	105	107	194	391
No. of subscriptions - Change in quarter/ Total (in thousands):	22	2	3,132	3,061	3,137
ARPU - monthly (NOK)	65	73	64	69	71
Exchange rate			0.0683	0.0769	0.0764

- The number of subscriptions increased by 22,000 during the quarter following continued high uptake of contract subscribers, partly offset by reduced prepaid subscribers. At the end of the quarter the subscription base was 2% higher than at the end of second quarter last year.
- ARPU in local currency increased by 5% due to a higher share of contract subscribers.
- Revenues in local currency increased by 8% following higher ARPU and a larger subscription base.
- The EBITDA margin decreased by 5 percentage points mainly due to increased subsidised handset sales following prepaid to contract migration.
- Capital expenditures were lower than last year mainly due to the network modernisation last year.

Montenegro

(NOK in millions)	2nd quarter		1st half year		Year
	2012	2011	2012	2011	2011
Revenues	143	154	264	287	627
EBITDA before other items	44	71	87	121	283
Operating profit	30	61	59	97	235
EBITDA before other items/ Total revenues (%)	30.5	46.2	33.0	42.1	45.1
Capex	10	2	28	17	23
No. of subscriptions - Change in quarter/ Total (in thousands):	21	12	422	435	461
Exchange rate			7.5731	7.8242	7.7926

- The number of subscriptions increased by 21,000 in the quarter mainly due to new prepaid subscribers as the summer season starts. At the end of the quarter, the subscription base was 3% lower than at the end of second quarter last year.
- ARPU in local currency decreased 3% driven by the reduced interconnection revenues and the challenging macroeconomic environment
- Revenues in local currency decreased by 4% mainly driven by reduced ARPU.
- Excluding one off effect, the EBITDA margin decreased by 6 percentage points following reduced revenue, increased handset subsidies and increased operating expenditures.
- On 5 June 2012, the Montenegrin Parliament adopted a new law on taxation on SIM cards of 1 Euro per SIM card per month for active subscribers. The law was effective as of 7 July 2012 and will be valid until January 2014.

DTAC - Thailand

(NOK in millions)	2nd quarter		1st half year		Year
	2012	2011	2012	2011	2011

Revenues

Subscription and traffic	2,801	2,460	5,586	5,008	10,237
Interconnect revenues	755	729	1,523	1,494	3,037
Other mobile revenues	74	60	134	143	264
Non-mobile revenues	450	297	1,046	592	1,047
Total revenues	4,080	3,547	8,289	7,238	14,585

EBITDA before other items	1,243	1,243	2,504	2,594	5,004
Operating profit	817	862	1,672	1,828	3,430

EBITDA before other items/ Total revenues (%)	30.5	35.1	30.2	35.8	34.3
Capex	421	164	559	226	1,072

No. of subscriptions - Change in quarter/ Total (in thousands):	167	384	23,601	22,729	23,217
ARPU - monthly (NOK)	51	47	51	49	49
Exchange rate			0.1876	0.1836	0.1838

- The number of subscriptions increased by 167,000 during the quarter. At the end of the quarter the subscription base was 4% higher than at the end of second quarter last year.
- ARPU in local currency increased by 3% due to growth in data usage more than offsetting the decline in voice.
- Total revenues in local currency increased by 10% driven by a larger subscription base, higher ARPU and handset sales. 3 percentage points of the total revenue increase were attributable to handset sales.
- The EBITDA margin decreased by 5 percentage points, primarily due to increased concessionary fees and high sales of low margin handsets.
- Capital expenditures were mainly related to the ongoing network modernisation and expansion of 3G coverage on 850 MHz.

DiGi - Malaysia

(NOK in millions)	2nd quarter		1st half year		Year
	2012	2011	2012	2011	2011

Revenues

Subscription and traffic	2,552	2,271	5,082	4,557	9,423
Interconnect revenues	201	183	403	368	752
Other mobile revenues	32	38	57	67	122
Non-mobile revenues	206	158	415	345	632
Total revenues	2,990	2,650	5,958	5,337	10,929

EBITDA before other items	1,412	1,224	2,804	2,444	5,063
Operating profit	789	629	1,555	1,465	2,903

EBITDA before other items/ Total revenues (%)	47.2	46.2	47.1	45.8	46.3
Capex	336	134	558	288	1,116

No. of subscriptions - Change in quarter/ Total (in thousands):	294	447	10,230	9,290	9,920
ARPU - monthly (NOK)	91	90	91	91	91
Exchange rate			1.8919	1.8414	1.8325

- The number of subscriptions increased by 294,000 during the quarter. At the end of the quarter the subscription base was 10% higher than at the end of second quarter last year.
- ARPU in local currency decreased by 4% as a result of price pressure particularly for international traffic, partly offset by increased data usage.
- Total revenues increased by 8% aided by a higher subscription base and device bundled offerings more than offsetting the reduced ARPU.

- The EBITDA margin increased by 1 percentage point. Adjusted for positive one-off effects, the EBITDA margin decreased by 1 percentage point to 45% mainly due to higher costs for international traffic, increased USD expenses and higher handset sales with low margin.
- Operating profit was negatively affected by NOK 274 million in accelerated depreciations related to the ongoing modernisation of networks and IT systems.
- Capital expenditures were related to IT upgrades, network coverage expansion and capacity upgrades.

Grameenphone - Bangladesh

(NOK in millions)	2nd quarter		1st half year		Year
	2012	2011	2012	2011	2011

Revenues

Subscription and traffic	1,463	1,476	2,885	2,919	5,864
Interconnect revenues	163	159	325	318	655
Other mobile revenues	9	7	20	12	33
Non-mobile revenues	35	49	67	100	179
Total revenues	1,670	1,690	3,297	3,349	6,730

EBITDA before other items	873	902	1,771	1,693	3,595
Operating profit	606	617	1,218	1,088	2,472

EBITDA before other items/ Total revenues (%)	52.3	53.3	53.7	50.5	53.4
Capex	275	260	534	425	977

No. of subscriptions - Change in quarter/ Total (in thousands):	1,660	1,841	39,294	33,824	36,493
ARPU - monthly (NOK)	14	17	14	17	16
Exchange rate			0.0710	0.0771	0.0755

- The number of subscriptions increased by 1.7 million during the quarter. At the end of the quarter, the subscription base was 16% higher than at the end of second quarter last year.
- ARPU in local currency decreased by 12% due to dilution effect of subscription growth in low-ARPU segments in addition to intensified market competition.
- Revenues in local currency increased by 2% due to subscription growth partly offset by lower ARPU and reduced handset sales.
- The EBITDA margin decreased by 1 percentage points mainly as a result of higher acquisition and revenue driven costs, partly offset by lower SIM tax and reduced low margin handset sales.
- Capital expenditure increased mainly for spending on voice quality enhancement.

Pakistan

(NOK in millions)	2nd quarter		1st half year		Year
	2012	2011	2012	2011	2011
Revenues					
Subscription and traffic	1,104	977	2,161	1,922	3,924
Interconnect revenues	239	191	458	372	778
Other mobile revenues	8	8	13	13	22
Non-mobile revenues	122	67	227	116	294
Total revenues	1,473	1,243	2,859	2,422	5,017

EBITDA before other items	569	453	1,137	846	1,847
Operating profit (loss)	(139)	144	(164)	232	455

EBITDA before other items/ Total revenues (%)	38.7	36.4	39.8	34.9	36.8
Capex	27	170	120	260	532

No. of subscriptions - Change in quarter/ Total (in thousands):	615	914	29,964	26,667	28,131
ARPU - monthly (NOK)	15	15	15	15	15
Exchange rate			0.0640	0.0654	0.0649

- The number of subscriptions increased by 615,000 during the quarter. At the end of the quarter the subscription base was 12% higher than at the end of second quarter last year.
- ARPU in local currency increased by 1%, resulting from increased usage levels following several successful on-net offerings and a price increase on on-net price plans. Total revenues in local currency increased by 18%, mainly due to increased subscription base and usage levels. Financial services contributed to 3.5 percentage points of the overall growth.
- The EBITDA margin increased by 2 percentage points mainly driven by strong revenue growth, as well as improvement in gross margin from a larger proportion of on-net traffic. EBITDA in local currency increased by 26%.
- Operating profit was negatively affected by NOK 288 million in accelerated depreciations related to the ongoing network modernisation programme in addition to scrapping of Universal Service Fund investments in the Malakand region of NOK 41 million and additional depreciation due to a one-time reconstruction of fixed asset register this quarter.
- Capital expenditure was low during the quarter awaiting the upcoming network modernisation in addition to the reconstruction of the fixed asset register.

Uninor - India

(NOK in millions)	2nd quarter		1st half year		Year
	2012	2011	2012	2011	2011
Revenues	1,034	698	2,043	1,246	3,019
EBITDA before other items	(625)	(965)	(1,246)	(1,983)	(3,414)
Operating profit (loss)	(619)	(1,206)	(5,303)	(2,452)	(8,514)

Capex	-	186	142	506	972
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No. of subscriptions - Change in quarter/ Total (in thousands):	2,226	3,991	33,722	21,430	28,326
ARPU - monthly (NOK)	11	12	11	12	12
Exchange rate			0.1122	0.1241	0.1203

^{*)} Please note that the definition for active subscriptions in Uninor is more conservative than the Group definition on page 21, due to high churn in the Indian market. In Uninor, subscriptions are counted as active if there has been activity during the last 30 days.

- Despite the challenging regulatory situation, the number of subscribers increased by 2.2 million during the quarter taking the total subscriber base to 33.7 million.
- Uninor continues to capture a significant share of the subscriber growth in the Indian market in April and May, according to Telecom Regulatory Authority of India.
- ARPU in local currency was in line with previous quarter at INR 97.
- Total revenues in local currency increased by 8% from first quarter. Growth in the quarter was due to an increased subscription base. Compared to the second quarter of 2011, reported revenues increased by 66%.
- The EBITDA loss for the quarter was NOK 625 million. EBITDA was affected negatively by NOK 104 million as capital expenditure was recognised as operating expenditure. This is in accordance with IFRS due to the high uncertainty regarding the re-auctioning of licences post the Supreme Court decision on 2 February 2012 to cancel the licences awarded in 2008.
- Underlying operating cash flow improved by NOK 170 million from first quarter 2012 due to scale effects, tight cost control and limited investments.
- The deadline for the auction of new licences is set to 31 August 2012. The reserve price and payment terms are however yet to be determined by the Empowered Group of Ministers. Please see note 2 for information on regulatory status.

Broadcast

(NOK in millions)	2nd quarter		1st half year		Year
	2012	2011	2012	2011	2011
Revenues					
Canal Digital DTH	1,109	1,109	2,210	2,230	4,478
Satellite Broadcasting	248	243	499	482	998
Norkring	227	237	465	474	944
Conax	141	129	280	258	557
Other/Eliminations	(29)	10	(85)	(5)	(76)
Total revenues	1,697	1,728	3,369	3,438	6,900

EBITDA before other items

Canal Digital DTH	159	133	321	249	545
Satellite Broadcasting	165	157	343	319	663
Norkring	116	115	236	232	465
Conax	63	49	122	97	214
Other/Eliminations	1	2	(4)	(4)	(6)
Total EBITDA before other items	504	455	1,018	893	1,881

Operating profit

Canal Digital DTH	144	115	289	218	453
Satellite Broadcasting	102	95	218	198	408
Norkring	69	61	125	124	219
Conax	53	34	92	70	148
Other/Eliminations	(7)	(4)	(16)	(23)	(47)
Total operating profit	360	301	709	587	1,181

EBITDA before other items/Total revenues (%)	29.7	26.3	30.2	26.0	27.3
Capex	109	78	171	134	276
Investments in businesses	-	(2)	-	(2)	(2)

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

DTH TV	(2)	(8)	952	979	965
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- Total revenues decreased by 2%, mainly due to the sale of Canal Digital Cable TV in Denmark in October 2011. Total EBITDA increased by 11% and the EBITDA margin increased by 3 percentage points to 30%.
- Revenues in Canal Digital DTH were on level with second quarter last year as the effect of price increases and increased sale of hardware and services was offset by the effects of a reduced subscriber base, lower revenues from sale to housing associations in Denmark and negative currency effects.
- The EBITDA margin in Canal Digital DTH increased by 2 percentage points to 14% due to reduced content and operating expenses.
- Revenues and EBITDA in Satellite Broadcasting increased primarily due to currency effects and reduced operating expenses.
- Revenues in Norkring decreased, mainly in Norway. EBITDA increased slightly due to reduced costs.
- Revenues and EBITDA in Conax increased due to higher sales of smart cards and other services.
- Capital expenditure increased due to digital audio broadcasting (DAB) network investments in Norkring Norway and platform investments in Canal Digital.

Other units

(NOK in millions)	2nd quarter		1st half year		Year
	2012	2011	2012	2011	2011
Revenues					
International wholesale	485	483	935	955	1,901
Digital Services portfolio	148	97	275	180	465
Corporate functions	572	585	1,125	1,151	2,274
Eliminations	(20)	(23)	(38)	(41)	(83)
Total revenues	1,185	1,142	2,297	2,245	4,557

EBITDA before other items

International wholesale	20	20	41	39	84
Digital Services portfolio	(5)	(61)	(24)	(117)	(118)
Corporate functions	(166)	(235)	(421)	(408)	(689)
Eliminations	(1)	-	(1)	-	-
Total EBITDA before other items	(152)	(276)	(405)	(485)	(723)

Operating profit (loss)

International wholesale	14	15	31	30	68
Digital Services portfolio	(17)	(74)	(55)	(133)	(114)
Corporate functions	(285)	(327)	(641)	(589)	(1,076)
Eliminations	(1)	-	(1)	-	4
Total operating profit (loss)	(289)	(386)	(667)	(692)	(1,119)

Capex	192	70	277	131	262
Investments in businesses	4,153	1	6,331	5	335

- Revenues and EBITDA in International wholesale were at the same level as previous year. Continued price pressure is compensated by increased volume and operational efficiency measures.
- Revenues and EBITDA in the Digital Services portfolio was driven by improved machine to machine revenues in Connexion and data traffic revenues in Maritime Communication Partner.
- EBITDA in Corporate functions increased mainly as a result of extraordinary high costs in second quarter 2011 related to legal activities and VAT accruals.
- Investments in businesses were related to the purchase of depository receipts representing 65 million VimpelCom common shares. See note 4 for further details.

Group overview

The statements below are related to Telenor's development in first half of 2012 compared to 2011 unless otherwise stated. Please refer to note 9 for further information.

Revenues

- Revenues increased by NOK 2.0 billion or 4.2% primarily due to continued strong subscription growth in the Asian operations and high handset sales in Sweden more than offsetting the reduced revenues in Denmark and Hungary and negative currency effects of NOK 0.8 billion.

Ebitda before other items

- EBITDA increased by NOK 1.0 billion or 6.5% mainly from improved performance in Uninor, Pakistan, DiGi, and Broadcast more than offsetting weaker results in Denmark, Hungary and DTAC. In addition, EBITDA was negatively affected by NOK 65 million due to currency effects.

Specification of other income and expenses

(NOK in millions)	2nd quarter		1st half year		Year
	2012	2011	2012	2011	2011
EBITDA before other income and expenses	8,041	7,457	15,780	14,816	30,526
EBITDA margin before other income and expenses (%)	31.7	30.6	31.3	30.6	31.0
Gains (losses) on disposal of fixed assets and operations	(47)	(13)	(78)	131	30
Workforce reductions and loss contracts	(154)	(204)	(244)	(323)	(532)
One-time effects to pension costs	1	-	1	17	18
EBITDA	7,842	7,241	15,460	14,642	30,041
EBITDA margin (%)	30.9	29.7	30.6	30.2	30.5

- In the second quarter of 2012 'Other income and expenses' mainly consisted of the following items:
 - Gains (losses) on disposal of fixed assets and operations were mainly related to scrapping of fixed assets in Telenor Pakistan (NOK 41 million).
 - Workforce reductions mainly in Telenor Sweden (NOK 89 million) and Telenor Norway (NOK 42 million).
- First half of 2012 'Other income and expenses' also include:
 - Workforce reductions mainly in Telenor Norway and Telenor Denmark. The remaining amounts in other income and expenses are related to disposal of fixed assets, workforce reductions and loss contracts in several operations.

Operating profit

- Operating profit decreased by NOK 2.7 billion compared to last year primarily due to impairment of assets in Uninor of NOK 3.9 billion in the first quarter of 2012.
- Excluding the impairment related to Uninor, operating profit increased by NOK 1.2 billion compared to last year primarily due to improved EBITDA as explained above and lower depreciations charges in Uninor and the European operations.

Associated companies

(NOK in millions)	2nd quarter		1st half year		Year
	2012	2011	2012	2011	2011
Telenors share of					
Profit after taxes	744	1,482	1,362	2,636	2,784
Amortisation of Telenor's net excess values	(22)	(21)	(44)	(74)	(126)
Impairment losses of Telenor's net excess values	-	(538)	-	(538)	(543)
Gains (losses) on disposal of ownership interests	-	1,638	-	1,637	1,662
Profit (loss) from associated companies	722	2,562	1,318	3,662	3,777

- Telenor's share of net result from associated companies in the second quarter of 2012 includes VimpelCom's reported results for the first quarter of 2012, amounting to NOK 704 million.
- The net result from VimpelCom was reduced by NOK 698 million compared to the second quarter of 2011, mainly as a result of higher interest expenses resulting from higher gross debt after the acquisition of Wind Telecom, as well as lower exchange gain due to lower USD exposure in Russia and increase in income tax expense driven by Wind Telecom entities. In addition, Telenor's share of VimpelCom's net result for the first quarter of 2012 was 31.7% compared to 39.6% for the first quarter of 2011.
- On 15 February 2012, Telenor purchased 234 million preferred shares of VimpelCom from Weather Investments II for a consideration of NOK 2.2 billion, thereby increasing the Group's voting share in VimpelCom from 25.01% to 36.36%. On 4 April 2012, the Group purchased depository receipts representing 65 million VimpelCom common shares for a consideration of NOK 4.1 billion, thereby increasing its economic and voting interests in VimpelCom to 35.66% and 39.51% respectively.
- In the first quarter of 2012, gain of NOK 406 million attributable to Telenor was recognised related to A-Pressen AS from the sale of TV2 to Egmont.
- In January 2012, Telenor's ownership interest of 45% in TV2 Zebra was sold to TV2.

Financial items

(NOK in millions)	2nd quarter		1st half year		Year
	2012	2011	2012	2011	2011
Financial income	154	224	299	422	812
Financial expenses	(773)	(562)	(1,423)	(1,050)	(2,207)
Net currency gains (losses)	(180)	354	(136)	389	(277)
Net change in fair value of financial instruments	(285)	145	504	20	27
Net gains (losses and impairment) of financial assets and liabilities	(2)	43	(2)	44	52
Net financial income (expenses)	(1,087)	204	(757)	(176)	(1,593)
Gross interest expenses	(658)	(529)	(1,262)	(986)	(2,042)
Net interest expenses	(544)	(326)	(1,018)	(605)	(1,318)

- Financial income decreased mainly due to higher proportion of placements in low-yielding currencies.
- Financial expenses increased mainly due to higher proportion of interest-bearing debt in Indian rupee.
- The net currency losses were primarily related to financial liabilities in US dollars. During the second quarter of 2012, the US dollar appreciated by 5% against the Norwegian krone.
- Net change in fair value of financial instruments also includes decreased value of the total return swaps with VimpelCom Ltd. ADRs as underlying asset. The main driver of the fair value of this instrument is the VimpelCom share price.

Taxes

- The estimated effective tax rate for the second quarter and the first half year of 2012 was 38% and 58%, respectively. The effective tax rates increased compared to 2011, mainly due to the impairment losses of NOK 3.9 billion related to Uninor in the first quarter of 2012.
- The effective tax rate for year 2012 is estimated to be around 36% including the impairment losses related to Uninor.

Investments

(NOK in millions)	2nd quarter		1st half year		Year
	2012	2011	2012	2011	2011
Capex	2,959	2,714	5,641	5,324	11,907
Capex excl. licences and spectrum	2,904	2,678	5,392	5,082	11,441
Capex excl. licences and spectrum/Revenues (%)	11.5	11.0	10.7	10.5	11.6

- Capital expenditure (excl. licences) increased by NOK 310 million as higher network investments in DTAC, Grameenphone and DiGi more than offset reduced investments in Uninor, Pakistan and Other operations.

Financial position

- During the first half of 2012, total assets increased by NOK 2.5 billion to NOK 169 billion primarily due to investment in VimpelCom preference shares and ordinary shares and increasing short term investments offset by impairment of fixed assets in Uninor.
- Net interest bearing liabilities increased by NOK 10.4 billion to NOK 28.6 billion mainly due to payment of dividend to equity holders of Telenor ASA and non-controlling interests in subsidiaries and investment in VimpelCom ordinary shares.
- Total equity decreased by NOK 10.5 billion to NOK 76 billion, mainly due to dividends declared of NOK 7.9 billion to equity holders of Telenor ASA and NOK 1.4 billion to non-controlling interests in subsidiaries along with the share buyback from the Norwegian State of NOK 2.3 billion, which will be paid in Q3 2012. Total comprehensive income of NOK 0.6 billion impacted equity positively.

Cash flow

- Net cash inflow from operating activities during the first half of 2012 was NOK 12.3 billion, a decrease of NOK 0.3 billion compared to the first half of 2011. This is mainly explained by less dividends received during the first half of 2012 compared to the first half of 2011 by NOK 0.7 billion partly offset by less taxes paid of NOK 0.4 billion during the first half of 2012 compared to first half of 2011.
- Net cash outflow to investing activities during the first half of 2012 was NOK 14.3 billion, an increase of NOK 6.0 billion compared to the first half of 2011. The increase is mainly explained by the NOK 6.3 billion purchase of VimpelCom Ltd. shares during the first half of 2012.
- Net cash inflow from financing activities during the first half of 2012 was NOK 3.3 billion, an increase of NOK 9.5 billion compared to the first half of 2011. The increase was composed of an increase in proceeds from interest-bearing liabilities of NOK 13.4 billion partly offset by higher dividends paid to non-controlling interests of NOK 2.3 billion and higher dividends paid out to shareholders of Telenor ASA of NOK 1.6 billion in the first half of 2012. Increase in proceeds from interest-bearing liabilities is mainly explained by first half 2012 increased borrowing in Telenor ASA of NOK 8.9 billion and in DTAC of NOK 4.7 billion compared to first half of 2011. Higher dividends paid to non-controlling interests in the first half of 2012 compared to the first half of 2011 is mainly explained by NOK 2.1 billion higher dividends paid to non-controlling interests in DTAC during the first half of 2012.
- Cash and cash equivalents increased by NOK 1.0 billion during the first half year to NOK 13.9 billion as of 30 June 2012.

Transactions with related parties

For detailed information on related party transactions refer to Note 34 in Telenor's Annual Report 2011.

In addition to transactions described in the Annual Report the following new significant related party transactions occurred in 2012:

- At the Annual General Meeting on 16 May 2012 redemption of shares owned by the Kingdom of Norway through the Ministry of Trade and Industry was approved. Accordingly a liability of NOK 2.4 billion was recognised and will be paid in the third quarter of 2012. See Annual Report 2011 note 34 for more information.

Outlook for 2012

Due to the high uncertainty in India, Telenor is currently providing financial guidance for 2012 for the Group not including Uninor.

Based on the current group structure not including Uninor and with currency rates as of 30 June 2012 Telenor expects:

- Organic revenue growth above 4%.
- EBITDA margin before other income and expenses in the range of 35-36%.
- Capital expenditure as a proportion of revenues, excluding licences and spectrum, in the range of 11-12% (previously estimated to 10-12%).

Risks and uncertainties

The existing risks and uncertainties described below and in the Annual Report 2011 are expected to remain for the next three months.

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

For additional explanations regarding risks and uncertainties, please refer to the Report of the Board of Directors for 2011, section Risk Factors and Risk Management, and Telenor's Annual Report 2011 Note 30 Managing Capital and Financial Risk Management and Note 35 Commitments and Contingencies. Readers are also referred to the disclaimer at the end of this section.

New aspects of risks and uncertainties since the publication of Telenor's Annual Report for 2011 are:

Shareholding and legal disputes

See note 2 for details.

Financial aspects

As of 30 June 2012, Uninor had NOK 9.6 billion in current interest-bearing borrowings, all with financial guarantees from Telenor ASA. In addition, new guarantees of NOK 0.8 billion are given after the balance sheet date. This is an increase of NOK 2.2 billion since 31 December 2011. Uninor's loan agreements contain typical bank loan provisions including material adverse effect clauses. See note 8 Events after the balance sheet date and cross default of the guarantees.

As of 30 June 2012, Uninor had NOK 1.1 billion in bank guarantees from the State Bank of India with counter guarantee from Telenor ASA, as disclosed in Telenor's Annual Report 2011 note 32. See note 3 for further information.

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 2012" 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, 23 July 2012

The Board of Directors of Telenor ASA

Condensed interim financial information

Consolidated income statement

Telenor Group

(NOK in millions except earnings per share)	2nd quarter		1st half year		Year
	2012	2011	2012	2011	2011
Revenues	25,357	24,359	50,475	48,452	98,516
Costs of materials and traffic charges	(7,126)	(6,702)	(14,274)	(13,416)	(27,541)
Salaries and personnel costs	(2,798)	(2,778)	(5,580)	(5,592)	(10,814)
Other operating expenses	(7,392)	(7,423)	(14,841)	(14,627)	(29,635)
Other income and (expenses)	(199)	(216)	(320)	(175)	(485)
EBITDA	7,842	7,241	15,460	14,642	30,041
Depreciation and amortisation	(3,555)	(3,920)	(7,291)	(7,625)	(15,309)
Impairment losses	-	(60)	(3,862)	(60)	(4,340)
Operating profit	4,286	3,261	4,306	6,957	10,393
Share of net income from associated companies	722	924	1,317	2,024	2,114
Gain on disposal of associated companies	-	1,638	-	1,637	1,662
Net financial income (expenses)	(1,087)	204	(757)	(176)	(1,593)
Profit before taxes	3,922	6,027	4,867	10,443	12,575
Income taxes	(1,501)	(1,425)	(2,835)	(2,838)	(5,358)
Net income	2,422	4,602	2,032	7,605	7,217

Net income attributable to:

Non-controlling interests (Minority interests)	356	110	(617)	320	52
Equity holders of Telenor ASA	2,065	4,492	2,648	7,285	7,165

Earnings per share in NOK^{*)}

From continuing operations:

Basic	1.31	2.77	1.68	4.48	4.45
Diluted	1.31	2.77	1.68	4.47	4.44
From total operations:					
Basic	1.31	2.77	1.68	4.48	4.45
Diluted	1.31	2.77	1.68	4.47	4.44

^{*)} Earnings per share (EPS) in the second quarter of 2012 were positively affected by the adjustment of number of outstanding shares following the approved cancellation that will be registered in third quarter of 2012. See note 7 for details. EPS in the second quarter of 2012 is calculated on 1,572,194,136 shares.

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

Consolidated statement of comprehensive income

Telenor Group

(NOK in millions)	2nd quarter		1st half year		Year
	2012	2011	2012	2011	2011
Net income	2,422	4,602	2,032	7,605	7,217
Translation differences on net investment in foreign operations	1,529	(3,050)	(342)	(5,004)	(1,196)
Income taxes	(1)	(6)	391	74	(124)
Amount reclassified from equity to profit and loss on disposal	14	531	14	530	536
Net gain (loss) on hedge of net investment	(337)	438	207	503	3
Income taxes	94	(123)	(58)	(141)	(1)
Net gain (loss) on available-for-sale-investment	33	16	29	22	9
Amount reclassified from equity to profit and loss on disposal	-	(54)	-	(54)	(55)
Share of other comprehensive income (loss) of associated companies	(88)	4	(1,657)	(171)	(210)
Amount reclassified from equity to profit and loss	-	416	-	416	416
Other comprehensive income (loss), net of taxes	1,245	(1,828)	(1,415)	(3,825)	(622)
Total comprehensive income (loss)	3,666	2,774	616	3,780	6,595
Total comprehensive income (loss) attributable to:					
Non-controlling interests	608	(121)	(469)	(450)	(246)
Equity holders of Telenor ASA	3,058	2,895	1,085	4,230	6,841

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

Consolidated statement of financial position

Telenor Group

(NOK in millions)	30 June	31 March	30 June	31 December
	2012	2012	2011	2011
Deferred tax assets	1,275	1,289	1,767	1,275
Goodwill	21,938	21,879	24,299	22,145
Intangible assets	21,126	20,960	24,506	21,774
Property, plant and equipment	43,919	44,240	49,592	49,620
Associated companies	40,095	34,686	31,934	33,967
Other non-current assets	3,248	3,100	2,377	3,241
Total non-current assets	131,602	126,154	134,474	132,022
Trade receivables	8,249	7,844	7,795	8,563
Other current assets	10,675	10,295	8,496	10,130
Assets classified as held for sale	2	4	128	86
Other financial current assets	4,328	5,744	3,889	2,638
Cash and cash equivalents	13,945	12,687	11,082	12,899
Total current assets	37,200	36,575	31,390	34,317
Total assets	168,802	162,729	165,864	166,339
Equity attributable to equity holders of Telenor ASA	72,223	82,524	83,462	83,992
Non-controlling interests (minority interests)	4,184	1,168	6,405	2,910
Total equity	76,406	83,692	89,867	86,902
Non-current interest-bearing liabilities	33,191	26,078	23,708	23,157
Non-current non-interest-bearing liabilities	1,410	1,037	967	1,659
Deferred tax liabilities	1,688	1,999	2,230	2,188
Pension obligations	2,096	2,048	1,884	1,933
Other provisions	2,868	2,977	1,912	2,911
Total non-current liabilities	41,254	34,139	30,701	31,848
Current interest-bearing liabilities	14,522	11,898	13,358	10,767
Trade payables	4,306	6,277	6,346	6,494
Current non-interest-bearing liabilities	32,314	26,723	25,591	30,328
Total current liabilities	51,142	44,898	45,295	47,589
Total equity and liabilities	168,802	162,729	165,864	166,339
Equity ratio including non-controlling interests (%)	45.3	51.4	54.2	52.2
Net interest-bearing liabilities	28,612	19,336	22,165	18,222

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

Consolidated statement of cash flows

Telenor Group

(NOK in millions)	2nd quarter		1st half year		Year
	2012	2011	2012	2011	2011
Profit before taxes from total operations	3,922	6,027	4,867	10,443	12,575
Income taxes paid	(1,950)	(2,721)	(3,817)	(4,179)	(5,932)
Net (gains) losses from disposals, impairments and change in fair value of financial assets and liabilities	309	(175)	(449)	(195)	(104)
Depreciation, amortisation and impairment losses	3,555	3,980	11,153	7,685	19,649
Loss (profit) from associated companies	(722)	(2,562)	(1,317)	(3,662)	(3,776)
Dividends received from associated companies	353	468	353	1,010	2,293
Currency (gains) losses not related to operating activities	75	(355)	32	(324)	181
Changes in other operating working capital assets and liabilities	472	517	1,491	1,836	2,208
Net cash flow from operating activities	6,014	5,179	12,312	12,614	27,093
Purchases of property, plant and equipment (PPE) and intangible assets	(3,371)	(3,029)	(6,414)	(5,954)	(13,261)
Purchases of subsidiaries and associated companies, net of cash acquired	(4,277)	(47)	(6,439)	(69)	(393)
Proceeds of PPE, intangible assets and businesses, net of cash disposed	56	231	340	264	514
Proceeds and purchases of other investments	1,384	1,226	(1,748)	(2,503)	(1,311)
Net cash flow from investing activities	(6,208)	(1,619)	(14,261)	(8,261)	(14,451)
Proceeds from and repayments of borrowings	10,017	(395)	14,676	1,288	496
Proceeds from issuance of shares, incl. from non-controlling interests in subsidiaries	-	-	-	-	1
Share buyback by Telenor ASA	-	-	-	-	(4,535)
Repayment of equity and dividends paid to non-controlling interests in subsidiaries	(936)	(1,187)	(3,784)	(1,516)	(2,624)
Dividends paid to equity holders of Telenor ASA	(7,595)	(5,971)	(7,595)	(5,971)	(6,206)
Net cash flow from financing activities	1,486	(7,554)	3,296	(6,199)	(12,868)
Effects of exchange rate changes on cash and cash equivalents	(33)	(132)	(302)	(678)	(481)
Net change in cash and cash equivalents	1,258	(4,126)	1,046	(2,524)	(706)
Cash and cash equivalents at the beginning of the period	12,687	15,207	12,899	13,606	13,606
Cash and cash equivalents at the end of the period¹⁾	13,945	11,082	13,945	11,082	12,899

¹⁾ The first half year of 2012 includes restricted cash of NOK 141 million, while the first half year of 2011 included restricted cash of NOK 124 million.

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

Consolidated statement of changes in equity

Telenor Group

(NOK in millions)	Attributable to equity holders of the parent					Non-controlling interests	Total equity
	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences	Total		
Equity as of 31 December 2010	9,859	8,771	75,036	(5,800)	87,867	8,351	96,218
Net income for the period	-	-	7,165	-	7,165	52	7,217
Other comprehensive income for the period	-	160	-	(484)	(324)	(298)	(622)
Total comprehensive income for the period	-	160	7,165	(484)	6,841	(246)	6,595
Transactions with non-controlling interests	-	(99)	-	-	(99)	(163)	(262)
Equity adjustments in associated companies	-	63	-	-	63	-	63
Dividends	-	-	(6,206)	-	(6,206)	(5,033)	(11,239)
Share buyback	(294)	(4,240)	-	-	(4,535)	-	(4,535)
Sale of shares, share issue, and share options to employees	9	52	-	-	61	-	61
Equity as of 31 December 2011	9,574	4,707	75,995	(6,284)	83,992	2,910	86,902
Net income for the period	-	-	2,648	-	2,648	(617)	2,032
Other comprehensive income for the period	-	(1,628)	-	65	(1,563)	148	(1,415)
Total comprehensive income for the period	-	(1,628)	2,648	65	1,085	(469)	616
Transactions with non-controlling interests ¹⁾	-	(2,972)	-	-	(2,972)	3,154	181
Equity adjustments in associated companies	-	343	-	-	343	-	343
Dividends	-	-	(7,925)	-	(7,925)	(1,411)	(9,336)
Share buyback ¹⁾	(156)	(2,167)	-	-	(2,324)	-	(2,324)
Sale of shares, share issue, and share options to employees	5	18	-	-	23	-	23
Equity as of 30 June 2012	9,424	(1,700)	70,718	(6,219)	72,222	4,184	76,406

¹⁾ See note 6 and 7 for details.

(NOK in millions)	Attributable to equity holders of the parent					Non-controlling interests	Total equity
	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences	Total		
Equity as of 31 December 2010	9,859	8,771	75,036	(5,800)	87,867	8,351	96,218
Net income for the period	-	-	7,285	-	7,285	320	7,605
Other comprehensive income for the period	-	214	-	(3,268)	(3,055)	(770)	(3,825)
Total comprehensive income for the period	-	214	7,285	(3,268)	4,230	(450)	3,780
Transactions with non-controlling interests	-	-	-	-	-	(18)	(18)
Equity adjustments in associated companies	-	52	-	-	52	-	52
Dividends	-	-	(6,206)	-	(6,206)	(1,477)	(7,683)
Share buyback	(161)	(2,353)	-	-	(2,514)	-	(2,514)
Sale of shares, share issue, and share options to employees	8	25	-	-	33	-	33
Equity as of 30 June 2011	9,707	6,708	76,115	(9,068)	83,462	6,406	89,867

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

Notes to the consolidated interim financial statements

Note 1 – General accounting principles

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

These interim condensed consolidated financial statements for the first half year of 2012 ending 30 June 2012, have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's Annual Report 2011. 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 2011.

Standards and interpretations as mentioned in the Group's Annual Report 2011 Note 1 and effective from 1 January 2012 do not have a significant impact on the Group's consolidated interim financial statements.

Note 2 – Shareholding and legal disputes

The issues described below are updates compared to information included in the Annual Report 2011 note 35 and have to be read in conjunction with this. No provisions have been made for the legal disputes described in this note.

Grameenphone

BTRC – Claim in relation to licence renewal

On 13 February 2012, the High Court has directed Grameenphone to add 15% VAT amount to Bangladesh Telecom Regulatory Commission (BTRC) receivables and pay an additional 15% VAT to National Board of Revenue (NBR). The Court has allowed Grameenphone to obtain rebate on this VAT thereby, limiting Grameenphone's total Renewal cost to 100%. As the proposed rebate mechanism is not workable under present VAT scheme, Grameenphone has filed a petition with the Appellate Division. Meanwhile, NBR had sent formal notice on 1 April 2012 for payment of VAT of NOK 168 million on renewal fees (which was withheld) and accordingly Grameenphone paid to NBR with protest.

BTRC has however not yet renewed Grameenphone's licence to run its mobile operation, which expired in November 2011. Grameenphone is operating under a 'continuation letter' issued by BTRC asking the renewing operators to continue while the licence renewal issue is being handled by the courts. On 16 July 2012, the appellate division of the Supreme Court granted Grameenphone Leave to Appeal and fixed 2 October 2012 as the date of hearing of the Appeal.

On 16 May 2012, National Board of Revenue issued a notice to Grameenphone claiming SIM tax and interest of NOK 1.2 billion on replacement SIM cards issued during the period from July 2007 to December 2011. Telenor challenged the demand by a writ petition before the High Court which passed a Stay Order on 4 June 2012 on the operation of the demand for a period of 4 months.

VimpelCom Ltd.

On 17 April 2012, the Federal Antimonopoly Service of the Russian Federation (FAS) filed a claim against Telenor East Holding II AS (Telenor) and Weather Investments II S.à.r.l. (Weather) in the Moscow Arbitrazh Court (the Court), claiming that Telenor's acquisition of 234,000,000 VimpelCom preferred shares from Weather on 15 February 2012 violated Russian law because Telenor, as a company controlled by a foreign state (the Kingdom of Norway),

may not exercise control over a Russian entity having strategic importance for national defence and state security.

The FAS requested the Court to invalidate the share purchase agreement and option agreement entered into by Telenor East and Weather, require Telenor to return to Weather the VimpelCom preferred shares Telenor had purchased, and require VimpelCom, Telenor and Altimo Cooperatief U.A. to enter into a new shareholders agreement on substantially the same terms as the VimpelCom shareholders agreement that was terminated on 10 December 2011. The Court's hearing on the merits of the FAS's claim is currently scheduled for 17 October 2012.

In response to two separate applications from the FAS, the Court issued two injunction orders on 24 April 2012 and 23 May 2012, respectively. Among other things, the injunction order of 24 April 2012 purports to restrict Telenor and Weather from taking various actions in relation to the governance of VimpelCom and the option agreement between Telenor and Weather, and purports to prohibit VimpelCom from exercising its rights as a shareholder of OJSC VimpelCom, VimpelCom's principal Russian subsidiary. Among other things, the injunction order of 23 May 2012 purports to prohibit VimpelCom and certain of its subsidiaries and their management from giving effect to resolutions approved at OJSC VimpelCom's 21 May 2012 annual general meeting, including purporting to prohibit the payment of dividends to shareholders of OJSC VimpelCom based on the results of operations in 2011. On 10 May 2012, Telenor filed an appeal against the injunction order of 24 April 2012 with the Ninth Appellate Business Court in Moscow. That appeal is currently scheduled to be heard on 24 September 2012. On 5 June 2012, Telenor filed an appeal against the injunction order of 23 May 2012. That appeal is currently scheduled to be heard on 12 November 2012. Unless the injunction orders are lifted on appeal or by action of the Court, the injunctions will remain in force at least until a decision by the Court on the merits of the FAS's claim.

Bermuda Declaratory Judgment Action

Altimo sent VimpelCom a letter dated 1 June 2012 claiming that Telenor and Weather had, as a consequence of the Transaction formed a group that collectively owned more than 50% of the voting shares in VimpelCom, and therefore were obligated under the terms of VimpelCom's bye-laws to make a mandatory tender offer to the other shareholders of VimpelCom. On 12 June 2012, Telenor filed an application with the Supreme Court of Bermuda, requesting that the Court declare that the Transaction between Telenor and Weather did not trigger the mandatory tender offer requirements in VimpelCom's bye-laws.

Uninor - India

On 2 February 2012 the Indian Supreme Court quashed all 122 licences awarded in 2008, including those granted to Uninor. Uninor has requested the Supreme Court for relief against the Supreme Court's previous order of cancellation of its licences, but this petition was rejected by the Supreme Court on 3 April 2012. The quashing of licences is effective from no later than 7 September 2012, according to a decision by the Supreme Court on 24 April 2012. The Indian Government has not yet decided on auction conditions.

As a further consequence of the judgment passed by the Supreme Court of India on 2 February 2012, where Uninor's licences were quashed, Uninor's board of directors decided on 21 February 2012 to carry out a business transfer of the Uninor business at fair market value to a newly incorporated Indian legal entity, Unitech Ltd. has challenged Uninor's business transfer decision. On this background, both Telenor Asia Pte Ltd and Unitech have therefore, by separate petitions, brought the matter before the Company Law Board (CLB). CLB passed an order on 12 April 2012 where the Telenor petition was disposed of, referring the parties to arbitration in accordance with the Arbitration Rules of the Singapore International Arbitration Centre (SIAC).

Telenor filed notice of arbitration to SIAC on 2 May 2012 to invoke arbitration, but since SIAC has denied an expedited procedure, Telenor has instead filed a writ petition with the Delhi High Court on the same matter. The next hearing is scheduled for 5 September 2012. The corresponding petition filed by Unitech has however not been referred to arbitration. This petition is currently adjourned and next hearing before the CLB is scheduled for 24 July 2012.

DTAC

Disputes between DTAC and CAT regarding revenue sharing payment under concessionary agreement.

Arbitration Tribunal has on 6 June 2012 rendered an award in favour of DTAC and dismissed CAT's claim. This can be appealed. See note 35 in the Annual Report 2011 for a description of the claim.

Note 3 – Impairment

As stated in note 18 of Telenor's Annual Report 2011, minor changes in key assumptions would result in further impairment losses relating to the carrying amount of remaining assets in Uninor. As a consequence of the 2G auction recommendations dated 23 April 2012 from The Telecom Regulatory Authority of India (TRAI) to the Department of Telecommunications (DOT), an impairment loss of NOK 3.9 billion (NOK 2.6 billion attributable to Telenor) was recognised in the first quarter of 2012 relating to the remaining tangible and intangible assets in Uninor as of 31 March 2012. All expenditure, including capital expenditure by nature, incurred after 31 March 2012 is expensed as it doesn't qualify for capitalization considering the significant and continued uncertainty relating to the issuance of licences in auction. As of 30 June 2012, there is no further accounting exposure related to India. However, Telenor has not provided for expected losses from continued operations after 30 June 2012 in Uninor. Furthermore, no provision has been recognised for the bank guarantees from State Bank of India described under 'Risk and uncertainties' on page 10 as Telenor believes that Uninor operates in line with the licence conditions.

Note 4 – Associated companies

VimpelCom

On 4 April 2012, Telenor East Holding II AS terminated its cash-settled total return swap (TRS) in respect of VimpelCom Ltd. shares that it had entered into with J.P. Morgan Securities Ltd. on 22 July 2011 and amended on 7 October 2011. Following such termination, Telenor East Holding II AS purchased depositary receipts representing 65 million VimpelCom common shares from J.P. Morgan Securities Ltd. for a purchase price of NOK 4.2 billion, thereby increasing Telenor's economic and voting interests in VimpelCom Ltd. to 35.66% and 39.51%, respectively.

Note 5 – Interest bearing liabilities

Telenor issued two bonds under the EMTN programme on 20 June 2012 of which one EUR 500 million bond with maturity January 2018 and one EUR 500 million bond with maturity June 2022.

Note 6 – Changes in equity

To secure financing of the operations in Uninor Telenor ASA has issued guarantees for the external interest-bearing debt in Uninor with NOK 9.6 billion as of 30 June 2012. Several of the lenders have demanded payment in July under the Telenor ASA guarantee (see note 8 – Events after the balance sheet date). The continuing conflict between Telenor and the local partner in Uninor has made it evident that the partner will not contribute further capital to Uninor.

Accordingly, NOK 3.1 billion which equals the non-controlling interests pro rata share of the guaranteed amount were recognised in the second quarter 2012, as a transaction between the non-controlling interest in Uninor and the equity holders of Telenor ASA, reducing the equity attributable to Telenor's shareholders.

Note 7 – Transactions with related parties

At the Annual General Meeting on 16 May 2012 redemption of shares owned by the Kingdom of Norway through the Ministry of Trade and Industry was approved. Accordingly a liability of NOK 2.4 billion was recognised and will be paid in the third quarter of 2012. See Annual Report 2011 note 34 for more information.

Note 8 – Events after the balance sheet date

One of the lenders has turned down a request for an extension of borrowings given to Uninor, and has demanded payment under the Telenor ASA guarantees, see chapter "Risk and Uncertainties" section "Financial aspects". This event has triggered cross-default under the loan agreements. As of 23 July Telenor ASA has received guarantee claims of total NOK 3.6 billion and default notice from most of the lenders. The remaining banks are expected to follow shortly.

On 21 July 2012, the Board of Directors of Grameenphone Ltd. declared interim dividend for 2012 of BDT 9.0 per share which correspond to approximately NOK 0.9 billion total dividend and approximately NOK 0.5 billion for Telenor ownership share.

On 23 July 2012, the Board of Directors of DiGi declared the second interim dividend for 2012 of MYR 0.059 per share which correspond to approximately NOK 0.9 billion total dividend and approximately NOK 0.4 billion for the Telenor ownership share.

On 23 July 2012, the Board of Directors of Total Access Communication Public Company Limited (DTAC) declared interim dividend for 2012 of THB 2.27 per share which correspond to approximately NOK 1.0 billion total dividend and approximately NOK 0.7 billion for Telenor ownership share.

Note 9 – Segment table and reconciliation of ebitda before other income and expenses

The definition of operating segments remains unchanged in the first half year of 2012. Nevertheless there have been some structural changes in the organisation of the different segments. Telenor Global Services previously reported as a part of Telenor Norway is reported under Other units from 1 January 2012. The Swedish cable operation previously reported as a part of Broadcast is reported under Telenor Sweden from 1 January 2012. The figures for previous periods are reclassified accordingly.

The operations

Second quarter

(NOK in millions)	Total revenues			of which internal		EBITDA before other income and expenses ^{*)}			
	2012	2011	Growth	2012	2011	2012	Margin	2011	Margin
Norway	6,327	6,184	2.3%	96	105	2,677	42.3%	2,470	39.9%
Sweden	2,599	2,522	3.0%	28	33	617	23.8%	638	25.3%
Denmark	1,429	1,816	(21.3%)	25	33	283	19.8%	505	27.8%
Hungary	965	1,161	(16.8%)	4	7	339	35.2%	416	35.9%
Serbia	674	738	(8.6%)	34	37	265	39.4%	327	44.4%
Montenegro	143	154	(7.0%)	14	12	44	30.5%	71	46.2%
DTAC - Thailand	4,080	3,547	15.1%	4	5	1,243	30.5%	1,243	35.1%
DiGi - Malaysia	2,990	2,650	12.8%	1	3	1,412	47.2%	1,224	46.2%
Grameenphone - Bangladesh	1,670	1,690	(1.2%)	1	1	873	52.3%	902	53.3%
Pakistan	1,473	1,243	18.4%	4	1	569	38.7%	453	36.4%
Uninor - India	1,034	698	48.2%	-	-	(625)	nm	(965)	nm
Broadcast	1,697	1,728	(1.8%)	52	37	504	29.7%	455	26.3%
Other units	1,185	1,142	3.8%	648	641	(152)	nm	(276)	nm
Eliminations	(910)	(913)	-	(910)	(913)	(10)	-	(6)	-
Group	25,357	24,359	4.1%	-	-	8,041	31.7%	7,457	30.6%

First half year

(NOK in millions)	Total revenues			of which internal		EBITDA before other income and expenses ^{*)}			
	2012	2011	Growth	2012	2011	2012	Margin	2011	Margin
Norway	12,549	12,477	0.6%	194	217	5,119	40.8%	5,079	40.7%
Sweden	5,144	5,030	2.3%	54	60	1,244	24.2%	1,290	25.6%
Denmark	2,931	3,566	(17.8%)	57	76	579	19.8%	934	26.2%
Hungary	1,930	2,239	(13.8%)	10	13	690	35.8%	794	35.4%
Serbia	1,329	1,395	(4.7%)	64	68	522	39.3%	605	43.4%
Montenegro	264	287	(8.2%)	22	19	87	33.0%	121	42.1%
DTAC - Thailand	8,289	7,238	14.5%	13	12	2,504	30.2%	2,594	35.8%
DiGi - Malaysia	5,958	5,337	11.6%	2	5	2,804	47.1%	2,444	45.8%
Grameenphone - Bangladesh	3,297	3,349	(1.6%)	2	2	1,771	53.7%	1,693	50.5%
Pakistan	2,859	2,422	18.0%	9	1	1,137	39.8%	846	34.9%
Uninor - India	2,043	1,246	64.0%	1	-	(1,246)	nm	(1,983)	nm
Broadcast	3,369	3,438	(2.0%)	93	81	1,018	30.2%	893	26.0%
Other units	2,297	2,245	2.3%	1,260	1,263	(405)	nm	(485)	nm
Eliminations	(1,782)	(1,817)	-	(1,782)	(1,817)	(44)	-	(8)	-
Group	50,475	48,452	4.2%	-	-	15,780	31.3%	14,816	30.6%

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

Reconciliation

(NOK in millions)	2nd quarter		1st half year		Year
	2012	2011	2012	2011	2011
Net income	2,422	4,602	2,032	7,605	7,217
Income taxes	(1,501)	(1,425)	(2,835)	(2,838)	(5,358)
Profit before taxes	3,922	6,027	4,867	10,443	12,575
Net financial income (expenses)	(1,087)	204	(757)	(176)	(1,593)
Profit (loss) from associated companies	722	2,562	1,317	3,662	3,776
Depreciation and amortisation	(3,555)	(3,920)	(7,291)	(7,625)	(15,309)
Impairment losses	-	(60)	(3,862)	(60)	(4,340)
EBITDA	7,842	7,241	15,460	14,642	30,041
Gains (losses) on disposal of fixed assets and operations	(47)	(13)	(78)	131	30
Workforce reductions and loss contracts	(154)	(204)	(244)	(323)	(532)
One-time effects to pension costs	1	-	1	17	18
EBITDA before other income and expenses	8,041	7,457	15,780	14,816	30,526

EBITDA				Operating profit (loss)			
2012	Margin	2011	Margin	2012	Margin	2011	Margin
2,630	41.6%	2,290	37.0%	1,954	30.9%	1,462	23.6%
528	20.3%	621	24.6%	241	9.3%	148	5.9%
293	20.5%	501	27.6%	105	7.4%	269	14.8%
337	34.9%	396	34.1%	233	24.2%	172	14.8%
265	39.4%	327	44.4%	191	28.3%	181	24.5%
40	28.3%	71	46.3%	30	21.1%	61	39.7%
1,244	30.5%	1,243	35.1%	817	20.0%	862	24.3%
1,421	47.5%	1,224	46.2%	789	26.4%	629	23.7%
863	51.7%	902	53.4%	606	36.3%	617	36.5%
516	35.1%	444	35.7%	(139)	nm	144	11.6%
(624)	nm	(959)	nm	(619)	nm	(1,206)	nm
503	29.6%	447	25.9%	360	21.2%	301	17.4%
(174)	nm	(269)	nm	(289)	nm	(386)	nm
(1)	-	3	-	6	-	8	-
7,842	30.9%	7,241	29.7%	4,286	16.9%	3,261	13.4%

EBITDA				Operating profit (loss)			
2012	Margin	2011	Margin	2012	Margin	2011	Margin
5,030	40.1%	4,934	39.5%	3,676	29.3%	3,295	26.4%
1,153	22.4%	1,272	25.3%	581	11.3%	341	6.8%
558	19.0%	920	25.8%	162	5.5%	469	13.1%
676	35.0%	771	34.4%	471	24.4%	349	15.6%
522	39.3%	605	43.4%	360	27.0%	325	23.3%
81	30.6%	121	42.1%	59	22.5%	97	33.9%
2,505	30.2%	2,597	35.9%	1,672	20.2%	1,828	25.3%
2,813	47.2%	2,442	45.8%	1,555	26.1%	1,465	27.5%
1,762	53.4%	1,693	50.5%	1,218	37.0%	1,088	32.5%
1,080	37.8%	840	34.7%	(164)	nm	232	9.6%
(1,245)	nm	(1,979)	nm	(5,303)	nm	(2,452)	nm
997	29.6%	879	25.6%	709	21.0%	587	17.1%
(435)	nm	(462)	nm	(667)	nm	(692)	nm
(35)	-	9	-	(22)	-	23	-
15,460	30.6%	14,642	30.2%	4,306	8.5%	6,957	14.4%

Responsibility Statement

We confirm that, to the best of our knowledge, the condensed set of financial statements for the first half of 2012 which has been prepared in accordance with IAS 34 Interim Financial Reporting gives a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations, and that the interim report includes a fair review of the information under the Norwegian Securities Trading Act section 5–6 fourth paragraph.

Fornebu, 23 July 2012


Svein Aaser
Chairman


Liselott Kilaas
Deputy Chairman


Hallvard Bakke
Board member


Dr. Burckhard Bergmann
Board member


Frank Dangeard
Board member


Sally Davis
Board member



Dag J. Opedal
Board member


Barbara Milian Thoralfsson
Board member


Bjørn André Anderssen
Board member


Brit Østby Fredriksen
Board member


Harald Stavn
Board member


Jon Fredrik Baksaas
President and CEO

Definitions

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

Mobile operations

Revenues

Subscription and traffic

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

Interconnect

- consist of revenues from incoming traffic related to the company's own subscriptions. Revenues from incoming traffic related to service provider or MVNO subscriptions are not included.

Other mobile

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

Non-mobile

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

Mobile revenues from company's own subscriptions

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

Key Figures

Subscriptions

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

Mobile broadband subscriptions

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

Average traffic minutes per subscription per month (AMPU)

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

Average revenue per subscription per month (ARPU)

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

Fixed operations

Revenues

Telephony

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

Internet and TV

- consist of subscription fees for xDSL and fibre, subscription fees and traffic charges for Internet traffic (810/815) in addition to revenues from TV services.

Data services

- consist of Nordic Connect/IP-VPN.

Other

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

Wholesale

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

Key Figures

Subscriptions

Telephony consist of PSTN, ISDN and VoIP subscriptions.

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

TV consists of TV services over fibre and cable.

Subscriptions are counted until the subscription is terminated.

Average revenue per subscription per month (ARPU)
ARPU is calculated based on revenues from the company's own subscriptions, divided by the average number of subscriptions for the relevant period.

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

TV ARPU is calculated based on revenues from TV services.

Broadcast

Revenues

Canal Digital DTH

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

Satellite Broadcasting

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

Norkring

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

Conax

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

Other

- consist of revenues from Telenor Media and Content Services.

Second quarter 2012

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

www.telenor.com

