



Q4/ 2013

Interim report
January – December 2013

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Record high EBITDA and positioned for future growth

Highlights fourth quarter 2013

- Organic revenue growth of 1%¹⁾
- EBITDA margin of 33%
- Operating cash flow of NOK 4.4 billion²⁾
- Earnings per share of NOK 1.61

Highlights full year 2013

- Organic revenue growth of 1%¹⁾
- EBITDA margin of 35%
- Operating cash flow of NOK 21.2 billion²⁾
- Earnings per share of NOK 8.66

Jon Fredrik Baksaas
Jon Fredrik Baksaas
President & CEO

“During 2013, Telenor Group increased or maintained its market share in key markets. For the fourth quarter, Telenor Group reports organic revenue growth of 1 percent, in line with the company’s growth rate for the full year. The EBITDA margin for 2013 was 34.5 percent, a two percentage point improvement from the previous year. Revenue growth combined with the margin improvement, resulted in a record-high EBITDA of NOK 36 billion for the year.

During the year, we added 17 million subscribers, of which 5 million alone in the final three months. This growth was mainly driven by India, Pakistan and Bangladesh. These countries still represent a significant potential for further growth.

In Thailand, I am pleased to see that the migration of customers to our new 3G network is progressing well. In addition, solid underlying service revenue growth from data in our Thai operation is noticeable. In Malaysia, DiGi’s ability to offer relevant data services sets an excellent example for how data can drive growth and profitability. With Grameenphone’s launch of 3G services, we have leaped toward providing affordable data services to our customers in Bangladesh. Political and regulatory challenges continue to impact several of our Asian markets.

The telecommunications industry continues to progress rapidly and plays an increasingly important role in people’s everyday lives. As the world goes digital, Telenor Group is strategically managing the transition from voice

to data and we will continue to focus on our Internet for All ambition, an initiative to connect the unconnected in all our markets. We are now getting started in our new market Myanmar, a nation of 60 million people and vast untapped growth potential. After signing the licence agreement last month, we will leverage on our regional experience and aim to provide accessible and affordable mobile communications to people across the country.

In India, our operating model resulted in solid trends in the second half of the year. Strong subscriber growth and increased revenue per customer resulted in an organic sales growth of 36 percent in the fourth quarter. We are now taking a lead challenger position in the six circles we are present.

In Norway, we are gaining subscribers and see increasing demand for larger data packages, resulting in an improved sales mix. At the end of the year, we secured new spectrum, which will enable Telenor to offer superior nation-wide 4G services within the next two years. While macro-economic pressure continued in Eastern Europe during the quarter, we see solid trends in Sweden and in our Broadcast division.

Based on the performance in 2013, the Board proposes a dividend per share of NOK 7.00 for 2013, a 17 percent increase from 2012 and equivalent to a pay-out of 73 percent of normalised net income. The financial outlook for 2014, excluding our start-up operation in Myanmar, is low single digit organic revenue growth, stable EBITDA margin and a capex to sales ratio of around 16%.”

Key figures Telenor Group

(NOK in millions except earnings per share)	4th quarter		Year	
	2013	2012 Restated	2013	2012 Restated
Revenues	27 611	25 990	104 027	101 718
EBITDA before other income and expenses	8 993	8 203	35 892	32 848
EBITDA before other income and expenses/Revenues (%)	32.6	31.6	34.5	32.3
Adjusted operating profit ³⁾	5 429	4 523	22 161	18 446
Adjusted operating profit/Revenues (%)	19.7	17.4	21.3	18.1
Profit after taxes and non-controlling interests	2 430	2 508	13 197	8 809
Earnings per share from total operations, basic, in NOK	1.61	1.62	8.66	5.63
Capex	5 104	10 371	17 044	21 511
Capex excl. licences and spectrum	4 577	3 571	14 659	12 299
Capex excl. licences and spectrum/Revenues (%)	16.6	13.7	14.1	12.1
Operating cash flow ²⁾	4 416	4 633	21 233	20 549
Net interest-bearing liabilities ⁴⁾			39 395	33 082

Please refer to page 10 for the full outlook for 2014, and page 22 for definitions.

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

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

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

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

Interim report

Telenor's operations

The comments below are related to Telenor's development in the fourth quarter of 2013 compared to the fourth quarter of 2012, unless otherwise stated. All comments on EBITDA are made on development in EBITDA before other income and expenses (other items). Please refer to page 8 for 'Specification of other income and expenses'. Additional information is available at: www.telenor.com/ir



Norway

(NOK in millions)	4th quarter		Year	
	2013	2012 Restated	2013	2012 Restated
Revenues mobile operation				
Subscription and traffic	2 514	2 566	10 112	10 246
Interconnect revenues	202	225	777	992
Other mobile revenues	329	348	1 315	1 357
Non-mobile revenues	392	389	1 103	1 048
Total revenues mobile operation	3 436	3 527	13 308	13 643
Revenues fixed operation				
Telephony	663	792	2 782	3 096
Internet and TV	1 319	1 249	5 060	4 858
Data services	120	117	463	501
Other fixed revenues	453	320	1 504	1 384
Total retail revenues	2 556	2 478	9 810	9 838
Wholesale revenues	487	512	1 953	2 027
Total revenues fixed operation	3 042	2 990	11 763	11 865
Total revenues	6 479	6 518	25 071	25 507

EBITDA before other items	2 545	2 722	10 758	10 845
Operating profit	1 686	1 915	7 423	7 827

EBITDA before other items/ Total revenues (%)	39.3	41.8	42.9	42.5
Capex	1 617	1 264	4 863	4 145
Investments in businesses	74	173	101	173

Mobile ARPU - monthly (NOK)	282	293	285	296
Fixed Telephony ARPU	272	284	271	267
Fixed Internet ARPU	336	326	327	318
TV ARPU	279	248	256	249

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

Mobile	15	(5)	3 216	3 175
Fixed telephony	(27)	(28)	800	917
Fixed Internet	2	14	864	870
TV	2	12	527	524

- The number of mobile subscriptions increased by 15,000 during the quarter. Increased number of contract subscriptions was partly offset by migration from separate mobile broadband subscriptions to bundled tariffs where the mobile broadband connection is included in the subscription. At the end of the quarter, the subscription base was 1% higher than at the end of fourth quarter last year.
- 66% of the contract subscriptions in the mobile consumer segment are now on bundled tariffs.
- Reported mobile ARPU decreased by 4% or NOK 11. Reduced interconnect rate from January 2013 affected ARPU negatively with NOK 3 and lower roaming fees with NOK 1. A one-time correction to mobile revenues affected ARPU negatively with NOK 3. Total mobile revenues declined 3% whereof impact of lower interconnect rates was 1%.
- Fixed revenues were stable, excluding a negative one-time effect in the fourth quarter last year. The effects from reduced number of telephony subscriptions and reduction in wholesale revenues were offset by increased revenues from Internet, TV and other fixed retail revenues.
- Total revenues declined by 1%.
- The EBITDA margin decreased by 2 percentage points due to increase in low-margin hardware sales and increased operation and maintenance costs particularly from a positive one-time insurance refund in fourth quarter last year. Lower commission costs due to change in sales channel mix were partly offset by increased marketing expenditures.
- Capital expenditures were driven by expansion of 4G and fibre footprint. By the end of the fourth quarter, Telenor Norway's 4G network covered more than 50% of the population and during the quarter, Telenor added 8,000 fibre customers bringing the total customer base on fibre to 81,000.
- In the fourth quarter, Telenor Norway acquired spectrum licences in the 800, 900 and 1800 MHz bands for NOK 453 million. The licences are technology neutral and valid for 20 years.

Sweden

	4th quarter		Year	
	2013	2012 Restated	2013	2012 Restated
(NOK in millions)				
Revenues mobile operation				
Subscription and traffic	1 407	1 271	5 388	5 152
Interconnect revenues	130	145	541	641
Other mobile revenues	98	69	323	311
Non-mobile revenues	676	628	2 064	1 995
Total revenues mobile operation	2 311	2 113	8 316	8 099
Revenues fixed operation	685	634	2 657	2 508
Total revenues	2 996	2 748	10 973	10 607

EBITDA before other items	825	641	3 266	2 698
Operating profit	434	318	1 824	1 403

EBITDA before other items/ Total revenues (%)	27.5	23.3	29.8	25.4
Capex	503	396	1 361	1 173
Investments in businesses	6	20	10	326

Mobile ARPU - monthly (NOK)	209	199	205	210
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No. of subscriptions - Change in quarter/Total (in thousands):

Mobile	51	33	2 484	2 385
Fixed telephony	(13)	(8)	277	333
Fixed Internet	1	2	530	545
TV	(2)	2	284	284

Exchange rate	0.9022	0.8593
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- The number of mobile subscriptions increased by 51,000 during the quarter, mainly in the consumer contract segment. The subscription base was 4% higher than at the end of last year.
- The number of fixed Internet subscriptions increased by 1,000 during the quarter. The growth in fibre connections was partly offset by the reduced number of copper access customers.
- Mobile ARPU in local currency decreased by 3% driven primarily by increased handset-related discount and reduced interconnect rates, partly offset by a shift to data centric subscriptions with higher ARPU.
- Mobile revenues in local currency increased by 1%. Service revenues increased due to higher subscription base, partly offset by reduced ARPU. Excluding the handset related discount, mobile subscription and traffic revenues in local currency increased by 11%.
- Fixed revenues in local currency decreased by 1% mainly due to lower telephony ARPU and reduced number of telephony subscriptions.
- The EBITDA margin increased by 4 percentage points due to improved gross profit from the mobile operation, lower subscriber acquisition costs as well as effects from several operational efficiency initiatives. EBITDA in local currency increased by 18%.
- Capital expenditure increased by 19% mainly due to a ramp-up of 4G site roll-out together with the ongoing 3G swap.

Denmark

	4th quarter		Year	
	2013	2012	2013	2012
(NOK in millions)				
Revenues mobile operation				
Subscription and traffic	727	708	2 858	2 943
Interconnect revenues	73	148	283	630
Other mobile revenues	40	40	109	191
Non-mobile revenues	281	377	993	1 115
Total revenues mobile operation	1 121	1 273	4 242	4 879
Revenues fixed operation	177	195	724	850
Total revenues	1 298	1 468	4 966	5 729

EBITDA before other items	237	273	1 014	1 158
Operating profit (loss)	(4)	(3 873)	136	(3 594)

EBITDA before other items/ Total revenues (%)	18.2	18.6	20.4	20.2
Capex	109	114	434	575
Investments in businesses	103	5	103	5

Mobile ARPU - monthly (NOK)	145	141	138	148
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No. of subscriptions - Change in quarter/Total (in thousands):

Mobile	(28)	(22)	1 828	2 015
Fixed telephony	(6)	(10)	111	138
Fixed Internet	(4)	(7)	166	184

Exchange rate	1.0470	1.0041
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- The number of mobile subscriptions decreased by 28,000 during the quarter as a consequence of reduced prepaid subscriptions more than offsetting an increase of 12,000 subscriptions in the contract segment. Compared to the end of last year, the subscription base declined by 9%.
- Mobile ARPU in local currency decreased by 8%, primarily due to the interconnect rate reduction from 1 January. The mobile ARPU has been stable in 2013.
- Mobile revenues in local currency decreased by 21% following the reduced subscription base and ARPU together with less handset revenues.
- Fixed revenues in local currency decreased by 19% driven by declining telephony subscription base and price erosion on Internet subscriptions.
- Total revenues in local currency decreased by 21%, of which lower handset sales constitute 10 percentage points and lower interconnect rates 7 percentage points of the reduction.
- The EBITDA margin decreased by 1 percentage point. EBITDA in local currency decreased by 23%, explained by lower gross profit, in combination with stable operational expenditures.
- Capital expenditure in local currency decreased by 16% primarily due to savings related to the infrastructure joint venture with Telia combined with lower IT-related investments. The majority of capital expenditure was related to the 3G network roll-out.

Hungary

(NOK in millions)	4th quarter		Year	
	2013	2012	2013	2012
Revenues				
Subscription and traffic	840	821	3 177	3 140
Interconnect revenues	138	156	506	606
Other mobile revenues	22	17	85	86
Non-mobile revenues	92	107	254	259
Total revenues	1 092	1 100	4 022	4 090
EBITDA before other items	307	306	1 393	1 317
Operating profit	193	227	968	926
EBITDA before other items/ Total revenues (%)	28.1	27.8	34.6	32.2
Capex	192	64	933	497
No. of subscriptions - Change in quarter/Total (in thousands):	-	57	3 270	3 322
ARPU - monthly (NOK)	100	99	94	95
Exchange rate			0.0263	0.0259

- The number of subscriptions was stable in the quarter. The subscription base decreased by 2% compared to the same period last year.
- ARPU in local currency decreased by 6% mainly due to the reduction in interconnect rates from 1 January and roaming charges from 1 July.
- Revenues in local currency decreased by 6% due to lower ARPU, reduced handset sales and a one-time adjustment in the fourth quarter last year.
- The EBITDA margin was stable, mainly explained by increased handset costs being more than offset by reduced interconnect rates and lower operating expenses. In this quarter, NOK 105 million was recognised for the telecommunication tax, having a negative effect on the EBITDA margin of 10 percentage points.
- The increase in capital expenditure was mainly due to 4G roll-out and NOK 59 million regarding extension of the 900 MHz and 1800 MHz frequency rights until 2022.

Globul - Bulgaria

(NOK in millions)	4th quarter		Year	
	2013	2012	2013	2012
Revenues				
Subscription and traffic	519	-	862	-
Interconnect revenues	34	-	56	-
Other mobile revenues	6	-	17	-
Non-mobile revenues	137	-	216	-
Total revenues	696	-	1 151	-
EBITDA before other items	208	-	373	-
Operating profit (loss)	(134)	-	(81)	-
EBITDA before other items/ Total revenues (%)	29.9	-	32.4	-
Capex	97	-	121	-
No. of subscriptions - Change in quarter/Total (in thousands):	51	-	3 995	-
ARPU - monthly (NOK)	46	-	47	-
Exchange rate			4.1524	-

Globul was consolidated from 1 August 2013. For further information, please refer to note 2. The preceding table shows figures from the time of consolidation and comments below refer to development compared to same period last year:

- The number of subscriptions increased by 51,000 in the fourth quarter mainly from continued growth in the contract segment. At the end of the quarter, the subscription base was 4% higher than at the end of fourth quarter last year.
- ARPU in local currency decreased by 8%. Adjusted for the reductions in interconnect rate from 1 January and 1 July, ARPU decreased by 4% mainly due to lower usage over the bundles.
- Revenues decreased by 7% from lower ARPU and reduced handset sales partly offset by a higher subscription base.
- Excluding one-time effects, the EBITDA margin increased by 2 percentage points compared to fourth quarter last year, driven by improved gross margin and decreased sales and marketing cost.
- Year to date the operating profit was highly influenced by accelerated depreciation related to the upcoming network renovation of NOK 42 million and amortisation of customer base excess value of NOK 128 million.

Serbia

(NOK in millions)	4th quarter		Year	
	2013	2012	2013	2012
Revenues				
Subscription and traffic	519	467	2 021	1 879
Interconnect revenues	170	148	634	580
Other mobile revenues	22	28	95	121
Non-mobile revenues	56	43	190	155
Total revenues	768	686	2 940	2 735
EBITDA before other items	268	274	1 141	1 080
Operating profit	182	160	835	733
EBITDA before other items/ Total revenues (%)	34.9	39.9	38.8	39.5
Capex	59	68	200	221

No. of subscriptions - Change in quarter/Total (in thousands):	(67)	(40)	3 171	3 207
ARPU - monthly (NOK)	72	64	69	65
Exchange rate			0.0690	0.0661

Pursuant to the agreement reached on 26 April 2013, Telenor completed the acquisition of KBC Banka on 18 December 2013.

- The number of subscriptions decreased by 67,000 during the quarter mainly from reduced sales in the prepaid segment partly due to seasonal churn slightly offset by a larger contract base. The subscription base decreased by 1% compared to the same period last year.
- ARPU in local currency increased by 2% due to continued migration from prepaid to contract subscriptions partly offset by high price pressure in prepaid market.
- Revenues in local currency increased by 1% compared to last year following increased ARPU partly offset by decreased subscription base.
- Adjusted for one time effects both quarters, the EBITDA margin decreased by 1 percentage point mainly from increased sales of smartphones. Excluding one-time effects, the EBITDA margin was 37% in the fourth quarter of 2013.
- Operating profit in local currency increased by 1% following impairment of obsolete equipment last year.
- Capital expenditure was mainly related to network coverage and capacity.

Montenegro

(NOK in millions)	4th quarter		Year	
	2013	2012	2013	2012
Revenues	133	126	541	584
EBITDA before other items	43	49	214	245
Operating profit	34	43	178	203

EBITDA before other items/ Total revenues (%)	32.4	38.4	39.5	42.0
Capex	20	10	41	46

No. of subscriptions - Change in quarter/Total (in thousands):	(69)	(75)	374	400
Exchange rate			7.8087	7.4744

- The number of subscriptions decreased by 69,000 mainly due to seasonal churn partly offset by a slight increase in the contract segment. At the end of the quarter, the subscription base was 6% lower than at the end of fourth quarter last year mainly as a result of reduced SIM penetration in the market.
- ARPU in local currency decreased by 3% as a result of lower prices and reduced interconnect rates introduced from 1 January 2013.
- Revenues in local currency decreased by 6% as a result of lower ARPU and subscription base partly offset by increased inbound roaming revenues.
- The EBITDA margin decreased by 7 percentage points mainly from lower subscription and traffic revenues and increased sales of subsidised handsets, partly offset by reduced interconnect costs and decreased operating expenditures.

dtac - Thailand

(NOK in millions)	4th quarter		Year	
	2013	2012	2013	2012
Revenues				
Subscription and traffic	3 200	2 944	12 751	11 375
Interconnect revenues	462	768	2 494	3 036
Other mobile revenues	60	89	276	306
Non-mobile revenues	1 011	689	2 591	2 059
Total revenues	4 732	4 490	18 112	16 776

EBITDA before other items	1 521	1 242	5 763	5 016
Operating profit	891	743	3 442	3 226

EBITDA before other items/Total revenues (%)	32.1	27.7	31.8	29.9
Capex	1 208	2 806	2 776	4 144

No. of subscriptions - Change in quarter/Total (in thousands):	471	1 750	27 942	26 318
ARPU - monthly (NOK)	44	49	47	49
Exchange rate			0.1912	0.1872

^{a)} Please note that the number of subscriptions and accordingly ARPU have been restated for 2012.

- The number of subscriptions increased by 471,000 during the quarter. At the end of the quarter, the subscription base was 6% higher than at the end of fourth quarter last year.
- ARPU in local currency decreased by 12% mainly due to 55% reduction in the interconnect rate from 1 July 2013.
- Total revenues in local currency increased by 2% driven by a larger subscription base and strong handset sales offsetting the decline in ARPU. Service revenues excluding interconnect increased by 5%, driven by continued strong demand for mobile data.
- 3G services on the 2.1 GHz network were launched on 23 July, and migration of subscribers to the new network continued to be the company's key focus also in the fourth quarter. At the end of the year, dtac had 12 million subscribers on the new network.

- The EBITDA margin increased by 4 percentage points. Adjusted for positive one-time items mainly related to interconnect costs, the EBITDA margin improved by 1 percentage point to 28%. The improvement was driven by lower interconnect rate and reduced regulatory costs, partly offset by higher marketing expenditures in connection with 3G services.
- Capital expenditure in the fourth quarter was mainly related to the new 2.1 GHz network.

DiGi - Malaysia

(NOK in millions)	4th quarter		Year	
	2013	2012	2013	2012
Revenues				
Subscription and traffic	2 769	2 560	10 589	10 196
Interconnect revenues	181	194	729	807
Other mobile revenues	43	21	143	102
Non-mobile revenues	280	255	1 095	882
Total revenues	3 272	3 031	12 556	11 986

EBITDA before other items	1 512	1 346	5 651	5 499
Operating profit	1 276	672	4 008	2 991

EBITDA before other items/ Total revenues (%)	46.2	44.4	45.0	45.9
Capex	247	477	1 383	1 319

No. of subscriptions - Change in quarter/Total (in thousands):	168	190	10 995	10 494
ARPU - monthly (NOK)	90	87	89	90
Exchange rate			1.8647	1.8843

- The number of subscriptions increased by 168,000 during the quarter mainly due to growth in the prepaid segment. At the end of the quarter, the subscription base was 5% higher than at the end of last year.
- ARPU in local currency increased by 2% due to continuous growth in mobile data usage offsetting lower voice ARPU.
- Total revenues in local currency increased by 6% due to a larger subscription base with higher ARPU.
- The EBITDA margin improved by 2 percentage points primarily due to higher revenues combined with operational efficiency initiatives.
- Operating profit improved from higher EBITDA and lower accelerated depreciation this quarter as the network modernisation programme was completed in the third quarter of 2013.
- Capital expenditure was low this quarter and related to deployment of backhaul fibre, site roll-out and IT-related investments.

Grameenphone - Bangladesh

(NOK in millions)	4th quarter		Year	
	2013	2012	2013	2012
Revenues				
Subscription and traffic	1 611	1 353	6 212	5 690
Interconnect revenues	194	160	751	652
Other mobile revenues	6	9	26	37
Non-mobile revenues	84	62	305	162
Total revenues	1 895	1 584	7 294	6 541
EBITDA before other items	970	856	3 709	3 483
Operating profit	608	588	2 562	2 396
EBITDA before other items/ Total revenues (%)	51.2	54.0	50.9	53.3
Capex	487	141	2 256	3 021

No. of subscriptions - Change in quarter/Total (in thousands):	1 067	(933)	47 110	40 021
ARPU - monthly (NOK)	13	12	13	14
Exchange rate			0.0752	0.0711

- The number of subscriptions increased by 1.1 million during the quarter. At the end of 2013, the subscription base was 18% higher than last year.
- ARPU in local currency decreased by 7% primarily due to political unrest with nationwide blockades and restricted working days, in addition to the continued dilution effect from subscriber growth in lower revenue generating segments.
- Total revenues in local currency increased by 7% driven by growth in subscription and traffic revenues, and sale of handsets in connection with launch of 3G services.
- The EBITDA margin decreased by 3 percentage points due to reduced contribution margin from higher handset sales, and increased opex mainly from higher gross adds and SIM tax in addition to increased service maintenance fee from GP IT and a one-time loss on receivables from interconnect operators. EBITDA in local currency increased by 2%.
- Capital expenditure increased mainly due to continued investment in 3G roll-out and additional 2G capacity.

Pakistan

(NOK in millions)	4th quarter		Year	
	2013	2012	2013	2012
Revenues				
Subscription and traffic	986	1 012	4 025	4 176
Interconnect revenues	110	155	487	845
Other mobile revenues	(3)	15	14	35
Non-mobile revenues	247	241	879	597
Total revenues	1 340	1 421	5 406	5 654
EBITDA before other items	470	610	2 052	2 233
Operating profit (loss)	323	17	822	(243)
EBITDA before other items/ Total revenues (%)	35.1	42.9	38.0	39.5
Capex	155	331	1 279	749

No. of subscriptions - Change in quarter/Total (in thousands):	1 061	401	33 405	30 564
ARPU - monthly (NOK)	11	13	12	14
Exchange rate			0.0579	0.0624

- During the quarter, the number of subscriptions increased by 1.1 million. At the end of 2013, the subscription base was 9% higher than last year.
- ARPU in local currency decreased by 8% due to the drop in voice ARPU in lieu of the continued intense on-net competition eroding air time monetisation, accompanied by the decrease in interconnect ARPU due to shifting of revenues from incoming international traffic through International Clearing House (ICH) to non-mobile revenues and declining levels of domestic interconnect traffic.
- Government enforced network closures continue to negatively impact revenues. Total revenues in local currency declined by 1% following price erosion from low priced on-net offers and negative contribution from ICH of 3 percentage points, including the indirect effects from increased grey traffic. Financial services contributed with 2 percentage points to the overall revenue growth, impacted by competition from new entrants pushing over-the-counter transactions.
- The EBITDA margin decreased by 8 percentage points primarily coming from increased commissions as last year was affected by the government directed SIM sale restrictions and increased push on Easypaisa services this quarter. This was partly offset by lower energy costs resulting from several energy saving initiatives.
- Operating profit improved by NOK 337 million as accelerated depreciations were reduced following the completion of network modernisation.
- Capital expenditure decreased after the successful completion of network modernisation and was focused towards network optimisation and swapping of billing platform.

India

(NOK in millions)	4th quarter		Year	
	2013	2012	2013	2012
Revenues	836	810	3 001	3 716
EBITDA before other items	(107)	(327)	(585)	(1 981)
Operating profit (loss)	(132)	(444)	(576)	(6 283)
Capex	84	4 384	214	4 526
No. of subscriptions - Change in quarter/Total (in thousands):	2 004	(2 235)	28 004	26 840
ARPU - monthly (NOK)	10	10	10	10
Exchange rate			0.1004	0.1091

* Please note that the definition for active subscriptions in the Indian operation is more conservative than the Group definition on page 22, due to high churn in the Indian market. Subscriptions are counted as active if there has been activity during the last 30 days.

- By the end of 2013, Telenor's operation in India covers six telecom circles.
- The monthly churn rate continues to decline, and was 4.5% this quarter. The subscription base grew by 2.0 million taking the total subscription base to 28.0 million. In the fourth quarter of 2012, the comparable six circle subscription base closed at 22.2 million.
- ARPU increased by 17% in local currency as a result of improved quality of the customer base.
- Revenues in local currency in the six circles increased by 36% compared to fourth quarter last year.
- Gross margin in these circles improved by 4 percentage points to 66% due to price increases.
- EBITDA continued to improve as a result of increased revenues, improved gross margin and stable operational expenditures. Excluding a bonus pay-out, the EBITDA for the fourth quarter was NOK -54 million.
- The operating cash flow was stable compared to previous quarters, as the launch of new sites and a pay out of bonuses added opex and capex this quarter.
- On 27 November 2013, Indian authorities granted the necessary approvals for the business transfer from Unitech Wireless to Telewings. The business has been transferred to Telewings, a 74% owned subsidiary of Telenor ASA.

Broadcast

	4th quarter		Year	
	2013	2012 Restated	2013	2012 Restated
Revenues				
Canal Digital DTH	1 151	1 109	4 536	4 428
Satellite Broadcasting	247	239	971	980
Norkring	282	247	1 057	946
Conax	190	167	627	569
Other/Eliminations	(93)	(124)	(457)	(402)
Total revenues	1 778	1 639	6 735	6 521

EBITDA before other items

Canal Digital DTH	151	122	731	635
Satellite Broadcasting	172	160	661	674
Norkring	131	117	525	494
Conax	77	58	243	230
Other/Eliminations	(8)	(15)	(52)	(55)
Total EBITDA before other items	523	443	2 109	1 979

Operating profit

Canal Digital DTH	138	102	673	570
Satellite Broadcasting	114	98	422	424
Norkring	61	43	268	254
Conax	65	48	203	180
Other/Eliminations	(20)	(13)	(73)	(62)
Total operating profit	358	278	1 493	1 365

EBITDA before other items/ Total revenues (%)	29.4	27.0	31.3	30.3
Capex	153	128	572	417

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

DTH TV	(2)	(3)	929	945
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- Total revenues increased by 8% and EBITDA by 18%, resulting in a 2 percentage point increase in the EBITDA margin.
- Revenues in Canal Digital DTH increased by 4% as positive currency effects and price increases offset the effect of lower subscriber base.
- The EBITDA margin in Canal Digital DTH was 13%, 2 percentage points higher than last year due to increased revenue partly offset by increased costs.
- Revenues increased by 3% and EBITDA by 7% in Satellite Broadcasting due to higher data communication revenues, positive currency effects and lower operating cost.
- Revenues in Norkring increased by 14% and EBITDA by 12% due to digital audio broadcasting (DAB) roll-out and higher installation revenues.
- Revenues in Conax increased by 14% and EBITDA by 33% due to increased sale of conditional access modules and higher smart card sales.
- Capital expenditure increased primarily due to DAB network investments in Norkring in Norway and ground equipment in Satellite Broadcasting, the latter related to the planned launch of the satellite Thor 7 in the second half of 2014.

Other units

	4th quarter		Year	
	2013	2012 Restated	2013	2012 Restated
Revenues				
International wholesale	420	496	1 730	1 921
Telenor Digital	165	115	556	448
Corporate functions	634	579	2 244	2 232
Other / eliminations	76	48	279	211
Total revenues	1 295	1 238	4 809	4 812

EBITDA before other items

International wholesale	17	28	71	91
Telenor Digital	(55)	(74)	(263)	(179)
Corporate functions	(241)	(181)	(759)	(600)
Other / eliminations	(28)	(1)	26	14
Total EBITDA before other items	(307)	(228)	(925)	(676)

Operating profit (loss)

International wholesale	8	11	43	63
Telenor Digital	(69)	(72)	(511)	(188)
Corporate functions	(386)	(296)	(1 260)	(1 033)
Other / eliminations	(41)	(14)	(26)	(33)
Total operating profit (loss)	(488)	(371)	(1 754)	(1 191)

Capex	178	166	625	655
Investments in businesses	1 425	8	6 676	6 997

- Revenues in International wholesale decreased due to lower volumes and prices, partly offset by positive currency effects.
- Revenues and EBITDA in Telenor Digital increased mainly due to improved results in machine-to-machine business and lower development cost.
- EBITDA in Corporate functions decreased mainly due to higher corporate activities. In addition, operating profit decreased due to costs related to workforce reductions recorded as other expenditures.
- EBITDA in Other decreased as a consequence of the start-up costs in Myanmar of NOK 48 million.
- Investments in businesses were mainly related to the acquisition of two joint ventures in online classifieds (SnT Classifieds and Search Pte) in cooperation with Schibsted Media Group and Singapore Press holdings.

Group overview

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

Revenues

- Revenues increased by NOK 2.3 billion or 2.3% in 2013 compared to 2012. Solid growth in dtac, Grameenphone, DiGi, Sweden and Broadcast more than offset the weakening in the Danish market, reduced scale of the Indian operation as well as lower revenues from the Pakistani and Norwegian operations. Positive currency effects on revenues were NOK 1 billion.

EBITDA before other items

- EBITDA increased by NOK 3.0 billion or 9.3% mainly as a result of improved performance in India, dtac and Sweden in addition to effects from the Bulgarian operation. This was partly offset by weaker results in Denmark, Other operations and lower contribution from Norway. Positive currency effects on EBITDA were NOK 0.5 billion.

Specification of other income and expenses

(NOK in millions)	4th quarter		Year	
	2013	2012 Restated	2013	2012 Restated
EBITDA before other income and expenses	8 993	8 203	35 892	32 848
EBITDA margin before other income and expenses (%)	32.6	31.6	34.5	32.3
Gains (losses) on disposal of fixed assets and operations	(40)	(62)	(31)	(161)
Workforce reductions and loss contracts	(125)	(207)	(648)	(692)
One-time effects to pension costs	1	(8)	(3)	(16)
EBITDA	8 828	7 926	35 209	31 980
EBITDA margin (%)	32.0	30.5	33.8	31.4

In the fourth quarter of 2013 'Other income and expenses' mainly consisted of the following items:

- Workforce reductions and onerous contracts mainly in Telenor Norway (NOK 45 million), Grameenphone (NOK 37 million) and Telenor ASA (NOK 29 million).
- Losses due to scrapping of old equipment in Pakistan (NOK 35 million).

In 2013, 'Other income and expenses' also include:

- Workforce reductions and onerous contracts mainly in Telenor Norway, Telenor Sweden, Telenor Denmark, Telenor Digital and Grameenphone.
- Losses on disposal of fixed assets mainly related to scrapping of intangible assets in dtac and old equipment in Pakistan.

Operating profit

- Operating profit increased by NOK 11.6 billion compared to last year due to improved EBITDA as described above in addition to NOK 0.7 billion lower depreciations and effects in 2012 from the impairments of assets in Uninor of NOK 3.9 billion and goodwill of NOK 4.0 billion in Denmark.
- Adjusted for the impairments related to Uninor and Denmark in 2012, operating profit increased by NOK 3.7 billion compared to last year primarily due to improved EBITDA as explained above.

Associated companies and joint ventures

(NOK in millions)	4th quarter		Year	
	2013	2012 Restated	2013	2012 Restated
Telenor's share of				
Profit after taxes	638	490	4 009	3 050
Amortisation of Telenor's net excess values	(56)	(95)	(285)	(244)
Impairment losses	(189)	(22)	(504)	(22)
Gains (losses) on disposal of ownership interests	-	(6)	(359)	-
Profit from associated companies and joint ventures	392	367	2 860	2 785

- Net result from associated companies in the fourth quarter of 2013 includes NOK 590 million for Telenor's share of VimpelCom's net income for the third quarter of 2013. Significant transactions and events amounting to minus NOK 681 million were included in Telenor's share of net income from VimpelCom in the fourth quarter of 2012. The underlying result of VimpelCom for the third quarter of 2013 compared to third quarter of 2012 has decreased primarily due to higher tax expense on intragroup dividends and foreign currency exchange losses.
- In the second quarter of 2013, a loss of NOK 385 million was recognised relating to Telenor's economic interest dilution from 35.7% to 33.0% as a consequence of Altimo's conversion of its 128.5 million preferred shares into common shares of VimpelCom Ltd.
- In the fourth quarter of 2013, an impairment loss of NOK 0.2 billion is recognised related to Telenor's share of impairment loss reported by Evry. In the second quarter of 2013, an impairment loss of NOK 0.3 billion was recognised relating to the remaining carrying amount of investment in C More Group AB.
- On 3 December 2013, Telenor has acquired interest of 50.0% and 33.3% in SnT Classifieds and Search Pte respectively for a total consideration of NOK 1.5 billion. SnT Classifieds is a joint venture between Telenor and Schibsted Media Group, whereas Search Pte is a joint venture among Telenor, Schibsted Media Group and Singapore Press Holdings (SPH). The companies will provide high-quality online classified services in selected key markets in Asia and South America.

Financial items

(NOK in millions)	4th quarter		Year	
	2013	2012 Restated	2013	2012 Restated
Financial income	117	161	576	605
Financial expenses	(756)	(665)	(2 502)	(2 898)
Net currency gains (losses)	71	57	(498)	(156)
Net change in fair value of financial instruments	(45)	86	472	687
Net gains (losses and impairment) of financial assets and liabilities	53	(6)	39	(7)
Net financial income (expenses)	(560)	(367)	(1 914)	(1 769)
Gross interest expenses	(649)	(448)	(2 058)	(2 272)
Net interest expenses	(569)	(357)	(1 666)	(1 828)

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

Taxes

- The estimated effective tax rate for the fourth quarter and the year of 2013 was 24% and 26%, respectively. The effective tax rate for the fourth quarter is positively affected by non-recurring items of a net amount of approximately NOK 0.2 billion, mainly related to the positive effect of increased losses on internal receivables against Unitech Wireless after the business transfer to Telewings was completed.
- In the second quarter of 2013, the Tax Appeal Committee ("Skatteklagenemnda") ruled the 2006-reassessment in our favour concerning a Total Return Swap (TRS) agreement in Telenor ASA. Telenor was notified a total repayment of NOK 0.5 billion, which was recognised as tax expense reduction and interest income. See note 4 for more information. This positive effect is partly offset by the negative effect of increased tax rate from 35% to 40% effective from 1 January 2012 in Grameenphone in Bangladesh, amounting to approximately NOK 0.3 billion.
- The effective tax rate for the year of 2014 is estimated to be around 28%.

Investments

(NOK in millions)	4th quarter		Year	
	2013	2012	2013	2012
Capex	5 104	10 371	17 044	21 511
Capex excl. licences and spectrum	4 577	3 571	14 659	12 299
Capex excl. licences and spectrum/Revenues (%)	16.6	13.7	14.1	12.1

- Capital expenditure (excl. licences) increased by NOK 2.4 billion primarily related to network and infrastructure investments in dtac, Pakistan, Norway, Sweden in addition to digital audio broadcasting (DAB) in Broadcast.

Cash flow

- Net cash inflow from operating activities during 2013 was NOK 37.0 billion, an increase of NOK 13.0 billion compared to 2012. This is mainly explained by higher EBITDA of NOK 3.2 billion and higher dividends received during 2013 of NOK 7.8 billion mainly from VimpelCom Ltd. In addition, less income tax paid, currency effects and improved working capital contributed positively with NOK 2.0 billion.
- Net cash outflow to investing activities during 2013 was NOK 20.6 billion, a decrease of NOK 2.3 billion compared to 2012. The decrease is due to lower investments in network equipment and licences of NOK 1.3 billion. In addition, there were lower cash outflows to acquisitions of subsidiaries, associated companies and joint ventures of NOK 1.6 billion. This is explained by net cash outflow in 2013 of NOK 4.5 billion related to the acquisitions of Globul and NOK 1.5 billion investments in the joint ventures SnT Classifieds and Search Pte. In 2012, investments included purchase of VimpelCom Ltd. shares of NOK 7.0 billion and NOK 0.5 billion in fibre companies.
- Net cash outflow to financing activities during 2013 was NOK 13.8 billion, an increase of NOK 9.0 billion compared to 2012. This is mainly due to decrease in net borrowings of NOK 11.0 billion and higher dividends paid to shareholders of Telenor ASA of NOK 1.3 billion, partially offset by lower dividends to minority interests of NOK 3.3 billion.
- Cash and cash equivalents increased by NOK 3.2 billion during 2013 to NOK 12.0 billion as of 31 December 2013.

Financial position

- During 2013, total assets increased by 17.7 billion to NOK 185.6 billion, primarily due to acquisition of Globul, investments in network and licences, as well as weaker Norwegian Krone against relevant major currencies.
- Net interest-bearing liabilities increased by NOK 6.3 billion to NOK 39.4 billion explained by NOK 8.6 increase in gross interest-bearing debt, partly offset by net increase of NOK 2.3 billion in cash and other financial instruments.
- Total equity increased by NOK 5.2 billion to NOK 81.6 billion. The increase is mainly explained by income from operations of NOK 16.6 billion, positive currency translation effects of NOK 5.1 billion due to weaker Norwegian Krone, partly offset by total shareholders return of NOK 16 billion consisting of NOK 12 billion in dividends and NOK 4.0 billion in share buyback.

Transactions with related parties

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

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

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

Outlook for 2014

Based on the current Group structure excluding Myanmar and with currency rates as of 31 December 2013 Telenor expects:

- Low single digit organic revenue growth.
- Stable EBITDA margin before other income and expenses.
- Capital expenditure as a proportion of revenues, excluding licences and spectrum, around 16%.

Risk and uncertainties

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

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

For additional explanations regarding risks and uncertainties, please refer to the Report of the Board of Directors for 2012, section Risk Factors and Risk Management, and Telenor's Annual Report 2012 Note 30 Managing Capital and Financial Risk Management and Note 35 Commitments and Contingencies. Readers are also referred to the disclaimer at the end of this section.

New developments of risks and uncertainties since the publication of Telenor's Annual Report for 2012 are:

Legal disputes

See note 8 for details.

Financial aspects

As of 31 December 2013, Telenor ASA had issued NOK 2.0 billion in bank guarantees related to India, of which NOK 1.2 billion relates to interest-bearing liabilities. The remaining NOK 0.8 billion relates to guarantees issued to the Indian Department of Telecom.

Disclaimer

This report contains statements regarding the future in connection with Telenor's growth initiatives, profit figures, outlook, strategies and objectives. In particular, the section 'Outlook for 2014' 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, 11 February 2014

The Board of Directors of Telenor ASA

Condensed interim financial information

Consolidated income statement

Telenor Group

	4th quarter		Year	
	2013	2012 Restated	2013	2012 Restated
<i>(NOK in millions except earnings per share)</i>				
Revenues	27 611	25 990	104 027	101 718
Costs of materials and traffic charges	(8 005)	(7 953)	(28 469)	(29 187)
Salaries and personnel costs	(2 875)	(2 726)	(10 755)	(10 683)
Other operating expenses	(7 738)	(7 108)	(28 912)	(29 000)
Other income and (expenses)	(165)	(277)	(682)	(868)
EBITDA	8 828	7 926	35 209	31 980
Depreciation and amortisation	(3 564)	(3 681)	(13 731)	(14 402)
Impairment losses	(26)	(3 960)	(151)	(7 823)
Operating profit	5 237	285	21 327	9 755
Share of net income from associated companies and joint ventures	392	373	3 219	2 785
Gain (loss) on disposal of associated companies and joint ventures	-	(6)	(359)	-
Net financial income (expenses)	(560)	(367)	(1 914)	(1 769)
Profit before taxes	5 070	286	22 274	10 770
Income taxes	(1 204)	2 657	(5 701)	(1 743)
Net income	3 866	2 943	16 572	9 028
Net income attributable to:				
Non-controlling interests	1 436	435	3 375	219
Equity holders of Telenor ASA	2 430	2 508	13 197	8 809
Earnings per share in NOK				
Basic	1.61	1.62	8.66	5.63
Diluted	1.61	1.62	8.65	5.62

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

Consolidated statement of comprehensive income

Telenor Group

(NOK in millions)	4th quarter		Year	
	2013	2012 Restated	2013	2012 Restated
Net income	3 866	2 943	16 572	9 028
Translation differences on net investment in foreign operations	1 170	(1 645)	7 845	(4 531)
Income taxes	55	(306)	125	114
Amount reclassified from equity to profit and loss on disposal	-	-	55	14
Net gain (loss) on hedge of net investment	(954)	524	(4 030)	1 335
Income taxes	267	(147)	1 130	(374)
Amount reclassified from equity to profit and loss on disposal	-	-	(7)	-
Net gain (loss) on available-for-sale-investment	(4)	3	18	13
Amount reclassified from equity to profit and loss on disposal	-	5	-	5
Share of other comprehensive income (loss) of associated companies	85	36	192	(1 540)
Amount reclassified from equity to profit and loss on disposal	-	-	240	-
Items that may be reclassified subsequently to income statement	618	(1 529)	5 567	(4 964)
Remeasurement of defined benefit pension plans	(709)	1 805	(1 246)	1 805
Income taxes	189	(504)	337	(504)
Items that will not be reclassified to income statement	(520)	1 301	(908)	1 301
Other comprehensive income (loss), net of taxes	98	(228)	4 659	(3 663)
Total comprehensive income (loss)	3 964	2 715	21 232	5 365
Total comprehensive income (loss) attributable to:				
Non-controlling interests	1 366	425	3 566	273
Equity holders of Telenor ASA	2 598	2 290	17 665	5 092

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

Consolidated statement of financial position

Telenor Group

	31 December 2013	30 September 2013	31 December 2012
(NOK in millions)			Restated
Deferred tax assets	3 585	4 149	4 090
Goodwill	21 442	21 241	17 682
Intangible assets	32 271	32 558	28 818
Property, plant and equipment	49 547	47 839	43 596
Associated companies and joint ventures	39 206	38 371	39 433
Other non-current assets	4 696	4 346	4 309
Total non-current assets	150 747	148 504	137 928
Prepaid taxes	531	352	162
Inventories	1 587	1 073	1 198
Trade and other receivables	19 701	18 666	18 209
Other financial current assets	1 027	924	1 567
Assets classified as held for sale	6	-	-
Cash and cash equivalents	11 978	13 630	8 805
Total current assets	34 830	34 644	29 941
Total assets	185 577	183 148	167 868
Equity attributable to equity holders of Telenor ASA	77 971	74 832	73 355
Non-controlling interests	3 672	3 410	3 057
Total equity	81 643	78 243	76 412
Non-current interest-bearing liabilities	51 001	48 436	39 826
Non-current non-interest-bearing liabilities	834	1 234	1 275
Deferred tax liabilities	2 127	1 665	1 640
Pension obligations	2 736	2 157	1 497
Provisions and obligations	2 874	3 270	3 286
Total non-current liabilities	59 572	56 762	47 523
Current interest-bearing liabilities	7 291	9 522	10 275
Trade and other payables	31 706	32 677	28 034
Current tax payables	2 566	3 647	3 696
Current non-interest-bearing liabilities	1 485	1 050	651
Provisions and obligations	1 315	1 248	1 277
Total current liabilities	44 362	48 144	43 933
Total equity and liabilities	185 577	183 148	167 868
Equity ratio including non-controlling interests (%)	44.0	42.7	45.5
Net interest-bearing liabilities	39 395	37 752	33 082

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

Consolidated statement of cash flows

Telenor Group

(NOK in millions)	4th quarter		Year	
	2013	2012 Restated	2013	2012 Restated
Profit before taxes from total operations	5 070	286	22 274	10 770
Income taxes paid	(669)	(1 076)	(4 831)	(6 041)
Net (gains) losses from disposals, impairments and change in fair value of financial assets and liabilities	60	(3)	(469)	(523)
Depreciation, amortisation and impairment losses	3 591	7 641	13 882	22 225
Loss (profit) from associated companies and joint ventures	(392)	(367)	(2 860)	(2 785)
Dividends received from associated companies	1 600	-	8 194	354
Currency (gains) losses not related to operating activities	(11)	61	498	110
Changes in other operating working capital assets and liabilities	(2 111)	(1 715)	301	(108)
Net cash flow from operating activities	7 137	4 826	36 990	24 002
Purchases of property, plant and equipment (PPE) and intangible assets	(5 614)	(6 817)	(15 612)	(16 892)
Purchases of subsidiaries, associated companies and joint ventures, net of cash acquired	(1 362)	(304)	(5 973)	(7 533)
Proceeds from PPE, intangible assets and businesses, net of cash disposed	62	44	267	575
Proceeds from and purchases of other investments	9	814	703	932
Net cash flow from investing activities	(6 906)	(6 262)	(20 614)	(22 918)
Proceeds from and repayments of borrowings	(1 179)	3 604	2 192	13 239
Proceeds from issuance of shares, incl. from non-controlling interests in subsidiaries	-	-	6	-
Share buyback by Telenor ASA	(112)	(1 125)	(3 998)	(4 022)
Repayment of equity and dividends paid to non-controlling interests in subsidiaries	(639)	(1 051)	(2 729)	(6 015)
Dividends paid to equity holders of Telenor ASA	-	-	(9 239)	(7 925)
Net cash flow from financing activities	(1 930)	1 428	(13 768)	(4 723)
Effects of exchange rate changes on cash and cash equivalents	49	(95)	567	(456)
Net change in cash and cash equivalents	(1 650)	(103)	3 175	(4 095)
Cash and cash equivalents at the beginning of the period	13 630	8 908	8 805	12 899
Cash and cash equivalents at the end of the period¹⁾	11 978	8 805	11 978	8 805

¹⁾ The year 2013 includes restricted cash of NOK 464 million, while the year 2012 included restricted cash of NOK 141 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				Total	Non-controlling interests	Total equity
	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences			
Equity as of 31 December 2011 - as previously reported	9 574	4 707	75 995	(6 284)	83 992	2 910	86 902
Implementation effect of revised IAS 19 (Note 1)	-	-	(923)	-	(923)	-	(923)
Equity as of 1 January 2012 - restated	9 574	4 707	75 072	(6 284)	83 069	2 910	85 979
Net income for the period	-	-	8 809	-	8 809	219	9 028
Other comprehensive income for the period	-	(222)	-	(3 495)	(3 717)	54	(3 663)
Total comprehensive income for the period	-	(222)	8 809	(3 495)	5 092	273	5 365
Transactions with non-controlling interests	-	(3 267)	-	-	(3 267)	3 553	286
Equity adjustments in associated companies	-	319	-	-	319	-	319
Dividends	-	-	(7 925)	-	(7 925)	(3 678)	(11 603)
Share buyback	(249)	(3 773)	-	-	(4 022)	-	(4 022)
Sale of shares, share issue, and share options to employees	9	80	-	-	89	-	89
Equity as of 31 December 2012	9 334	(2 155)	75 956	(9 779)	73 355	3 057	76 412
Net income for the period	-	-	13 197	-	13 197	3 375	16 572
Other comprehensive income for the period	-	(459)	-	4 927	4 468	191	4 659
Total comprehensive income for the period	-	(459)	13 197	4 927	17 665	3 566	21 232
Transactions with non-controlling interests	-	222	-	-	222	(209)	13
Equity adjustments in associated companies	-	(26)	-	-	(26)	-	(26)
Dividends	-	-	(9 239)	-	(9 239)	(2 743)	(11 982)
Share buyback	(209)	(3 789)	-	-	(3 998)	-	(3 998)
Sale of shares, share issue, and share options to employees	2	(10)	-	-	(8)	-	(8)
Equity as of 31 December 2013	9 127	(6 217)	79 913	(4 852)	77 971	3 672	81 643

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 year of 2013, have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's Annual Report 2012. The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's Annual Financial Statements for the year ended 31 December 2012, except for implementation of new accounting standards as described below.

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

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

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

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

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

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

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

(NOK in millions)	4th quarter 2012	Year 2012
Consolidated Income Statement		
Pension costs	26	93
Financial expenses	(23)	(86)
Income taxes	(6)	(7)
Net income (loss)	(3)	-

Consolidated Statement of Comprehensive Income		
Net income	(3)	-
Other comprehensive income (loss), net of taxes ^{*)}	1 302	1 301
Total Comprehensive income (loss)	1 299	1 301

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

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

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

Note 2 – Business combinations

Globul – Bulgaria

On 1 August 2013, Telenor acquired 100% of the voting shares of Cosmo Bulgaria Mobile EAD (Globul) and Germanos Telecom Bulgaria EAD (Germanos), two unlisted companies in Bulgaria, for NOK 5.1 billion. Globul is the second largest mobile operator in Bulgaria, providing mobile, fixed and data transfer to the customer. Germanos is a major commercial partner of Globul and is a leader in the sphere of mobile technology in Bulgaria. The acquisition of Globul and Germanos (“Globul Bulgaria”) strengthens Telenor’s position in Europe.

The purchase price allocation, which was performed with assistance from third-party valuation experts, has been determined to be provisional. The purchase price allocation is provisional pending the final assessment of the identifiable net assets. During fourth quarter the following changes have been made to the preliminary purchase price allocation presented in the interim report as of 30 September 2013:

(NOK in millions)	Preliminary fair values as of acquisition date included in the third quarter report	Preliminary fair values as of acquisition date
Assets		
Customer Base	1 573	1 573
Licences	491	491
Other intangible assets	116	111
Property, Plant & Equipment	1 496	1 493
Other assets	728	737
Bank and cash balances	678	678
Total assets	5 082	5 083
Liabilities		
Deferred tax liability	184	186
Non-Current Liabilities	1 095	1 095
Current Liabilities	775	707
Total liabilities	2 054	1 988
Net identifiable assets	3 028	3 095
Goodwill	2 187	2 042
Total consideration for the shares, satisfied by cash	5 215	5 137

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

The goodwill of NOK 2.0 billion comprises the value of expected synergies arising from the acquisition, including modernisation of the network. None of the goodwill recognised is expected to be deductible for income tax purposes.

For the period between the date of acquisition and 31 December 2013, Globul Bulgaria has contributed NOK 1,151 million to Revenue and NOK -87 million to Profit before tax of the Group. If the business combination had taken place at the beginning of the year, Revenue would have been NOK 105,507 million and Profit before tax for the Group would have been NOK 22,098 million.

Business combinations after reporting period

Acquisition of Tele2’s cable and fibre business

On 2 January 2014, Telenor acquired 100% of the voting rights in Tele2’s Swedish residential fibre and cable TV business for NOK 749 million. The business includes 370,000 connected households, with 125,000 fixed broadband subscribers, 75,000 digital TV subscribers and 220,000 analogue TV households. The acquisition strengthens Telenor’s position as one of the leading providers of broadband and digital TV services in Sweden.

The initial purchase price allocation, which was performed with assistance from third party valuation experts, has been determined to be provisional. The purchase price allocation is provisional pending the final assessment of the identifiable net assets. The preliminary fair values of the identifiable assets and liabilities of the business as at the date of acquisition were:

(NOK in millions)	Preliminary fair values as of acquisition date
Customer Base	239
Property, Plant & Equipment	598
Other assets	27
Total assets	898
Deferred tax liability	116
Current Liabilities	33
Total liabilities	149
Net identifiable assets	716
Goodwill	33
Total consideration for the shares, satisfied by cash	749

The goodwill of NOK 33 million comprises the value of expected synergies arising from the acquisition. None of the goodwill is expected to be deductible for income tax purposes.

Note 3 – Associated companies

C More

An impairment loss of NOK 0.3 billion related to C More was recorded in the second quarter of 2013, mainly due to weaker subscriber development.

VimpelCom

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

Note 4 – Income taxes

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

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

Note 5 – Interest-bearing liabilities

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

Note 6 – Fair values of financial instruments

Financial derivatives recognised at fair value in Telenor are categorised within level 2 in the fair value hierarchy. The financial derivatives are mainly used for hedging purposes. See also note 31 in the Annual Report 2012.

(NOK in millions)	As of 31 December 2013	As of 31 December 2012
Other non-current assets	2 099	2 070
Other financial current assets	291	232
Non-current non-interest-bearing financial liabilities	(481)	(639)
Non-current interest-bearing financial liabilities	(277)	(2)
Current non-interest-bearing liabilities	(404)	(184)
Total^{*)}	1 228	1 477

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

Note 7 – Pension obligations

For the Norwegian pension benefit plans, Telenor adopted the new mortality table K-2013 in the second quarter of 2013 and a new disability table in the fourth quarter of 2013. This has increased Telenor’s pension obligations by NOK 1.2 billion and is recognised as re-measurement of pension plans in Other Comprehensive Income.

Note 8 – Legal disputes

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

Grameenphone

[BTRC-Audit claim](#)

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

dtac

[Dispute between dtac and CAT regarding revenue sharing payment under Concession Agreement](#)

On 23 April 2013, CAT filed a new statement of claim to the Arbitration Tribunal requesting for additional revenue sharing for the 18th concession year (16 September 2008 to 15 September 2009) from dtac in the amount of NOK 683 million, plus penalty interest at the rate of 15% p.a.

On 10 January 2014, CAT sent a letter to dtac requesting for additional revenue sharing for the 19th year of operation (16 September 2009 to 15 September 2010) in the amount of NOK 656 million.

Telenor Pakistan

[Claim for Federal Excise Duty \(FED\) on interconnect charges from the Federal Board of Revenue \(FBR\).](#)

On 8 January 2014 the Islamabad High Court declared recovery notice from FBR null and void. The court decision was appealed by the FBR on 24 January 2014 and in a subsequent hearing on 27 January 2014, the court decided to maintain status quo in the matter.

Note 9 – Transactions with related parties

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

Note 10 – Events after the balance sheet date

On 30 January 2014, Telenor Group announced that it has signed an agreement with the Union Government of Myanmar for a nationwide telecommunications licence. The licence includes spectrum in the 900MHz and 2.1GHz bands and is valid for 15 years. The licence fee is USD 500 million. Telenor plans to provide network coverage for 90% of the population in Myanmar within five years.

On 6 February 2014, the Board of Directors of DiGi declared the fourth interim dividend for 2013 of MYR 0.07 per share which corresponds to approximately NOK 1.0 billion total dividend and approximately NOK 0.5 billion for Telenor ownership share.

On 10 February 2014, the Board of Directors of Grameenphone Ltd. proposed final dividend for 2013 of BDT 5.00 per share which correspond to approximately NOK 0.5 billion total dividend and approximately NOK 0.3 billion for Telenor ownership share.

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

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

The operations

Fourth quarter

(NOK in millions)	Total revenues			of which internal		EBITDA before other income and expenses			
	2013	2012 Restated	Growth	2013	2012	2013	Margin	2012 Restated	Margin
Norway	6 479	6 518	(0.6%)	83	100	2 545	39.3%	2 722	41.8%
Sweden	2 996	2 748	9.0%	48	17	825	27.5%	641	23.3%
Denmark	1 298	1 468	(11.6%)	20	26	237	18.2%	273	18.6%
Hungary	1 092	1 100	(0.8%)	6	5	307	28.1%	306	27.8%
Globul - Bulgaria	696	-	-	-	-	208	29.9%	-	-
Serbia	768	686	11.8%	42	38	268	34.9%	274	39.9%
Montenegro	133	126	5.6%	21	12	43	32.4%	49	38.4%
dtac - Thailand	4 732	4 490	5.4%	28	12	1 521	32.1%	1 242	27.7%
DiGi - Malaysia	3 272	3 031	8.0%	1	1	1 512	46.2%	1 346	44.4%
Grameenphone - Bangladesh	1 895	1 584	19.6%	-	1	970	51.2%	856	54.0%
Pakistan	1 340	1 421	(5.7%)	1	(1)	470	35.1%	610	42.9%
India	836	810	3.2%	7	-	(107)	nm	(327)	nm
Broadcast	1 778	1 639	8.5%	57	37	523	29.4%	443	27.0%
Other units	1 295	1 238	4.6%	686	621	(307)	nm	(228)	nm
Eliminations	(999)	(869)	-	(999)	(869)	(22)	-	(2)	-
Group	27 611	25 990	6.2%	-	-	8 993	32.6%	8 203	31.6%

The operations for the year

(NOK in millions)	Total revenues			of which internal		EBITDA before other income and expenses			
	2013	2012 Restated	Growth	2013	2012	2013	Margin	2012 Restated	Margin
Norway	25 071	25 507	(1.7%)	343	386	10 758	42.9%	10 845	42.5%
Sweden	10 973	10 607	3.4%	162	105	3 266	29.8%	2 698	25.4%
Denmark	4 966	5 729	(13.3%)	78	111	1 014	20.4%	1 158	20.2%
Hungary	4 022	4 090	(1.7%)	17	20	1 393	34.6%	1 317	32.2%
Globul - Bulgaria	1 151	-	-	1	-	373	32.4%	-	-
Serbia	2 940	2 735	7.5%	139	144	1 141	38.8%	1 080	39.5%
Montenegro	541	584	(7.4%)	80	56	214	39.5%	245	42.0%
dtac - Thailand	18 112	16 776	8.0%	69	31	5 763	31.8%	5 016	29.9%
DiGi - Malaysia	12 556	11 986	4.8%	4	4	5 651	45.0%	5 499	45.9%
Grameenphone - Bangladesh	7 294	6 541	11.5%	7	3	3 709	50.9%	3 483	53.3%
Pakistan	5 406	5 654	(4.4%)	3	12	2 052	38.0%	2 233	39.5%
India	3 001	3 716	(19.2%)	12	1	(585)	nm	(1 981)	nm
Broadcast	6 735	6 521	3.3%	185	176	2 109	31.3%	1 979	30.3%
Other units	4 809	4 812	(0.1%)	2 451	2 490	(925)	nm	(676)	nm
Eliminations	(3 550)	(3 540)	-	(3 550)	(3 540)	(41)	-	(49)	-
Group	104 027	101 718	2.3%	-	-	35 892	34.5%	32 848	32.3%

Reconciliation

(NOK in millions)	4th quarter		Year	
	2013	2012 Restated	2013	2012 Restated
Net income	3 866	2 943	16 572	9 028
Income taxes	(1 204)	2 657	(5 701)	(1 743)
Profit before taxes	5 070	286	22 274	10 770
Net financial income (expenses)	(560)	(367)	(1 914)	(1 769)
Profit (loss) from associated companies and joint ventures	392	367	2 860	2 785
Depreciation and amortisation	(3 564)	(3 681)	(13 731)	(14 402)
Impairment losses	(26)	(3 960)	(151)	(7 823)
EBITDA	8 828	7 926	35 209	31 980
Gains (losses) on disposal of fixed assets and operations	(40)	(62)	(31)	(161)
Workforce reductions and loss contracts	(125)	(207)	(648)	(692)
One-time effects to pension costs	1	(8)	(3)	(16)
EBITDA before other income and expenses	8 993	8 203	35 892	32 848

EBITDA				Operating profit (loss)			
2013	Margin	2012 Restated	Margin	2013	Margin	2012 Restated	Margin
2 496	38.5%	2 653	40.7%	1 686	26.0%	1 915	29.4%
826	27.6%	643	23.4%	434	14.5%	318	11.6%
224	17.2%	258	17.5%	(4)	nm	(3 873)	nm
304	27.8%	301	27.4%	193	17.7%	227	20.6%
210	30.2%	-	-	(134)	nm	-	-
268	35.0%	232	33.8%	182	23.7%	160	23.3%
44	33.3%	48	38.1%	34	25.7%	43	33.7%
1 520	32.1%	1 241	27.6%	891	18.8%	743	16.5%
1 512	46.2%	1 347	44.4%	1 276	39.0%	672	22.2%
933	49.2%	856	54.0%	608	32.1%	588	37.1%
435	32.4%	610	42.9%	323	24.1%	17	1.2%
(112)	nm	(444)	nm	(132)	nm	(444)	nm
510	28.7%	424	25.9%	358	20.1%	278	16.9%
(324)	nm	(238)	nm	(488)	nm	(371)	nm
(19)	-	(4)	-	10	-	13	-
8 828	32.0%	7 926	30.5%	5 237	19.0%	285	1.1%

EBITDA				Operating profit (loss)			
2013	Margin	2012 Restated	Margin	2013	Margin	2012 Restated	Margin
10 518	42.0%	10 624	41.6%	7 423	29.6%	7 827	30.7%
3 230	29.4%	2 571	24.2%	1 824	16.6%	1 403	13.2%
902	18.2%	1 109	19.4%	136	2.7%	(3 594)	nm
1 357	33.7%	1 303	31.9%	968	24.1%	926	22.7%
365	31.7%	-	-	(81)	nm	-	-
1 142	38.9%	1 038	37.9%	835	28.4%	733	26.8%
214	39.5%	239	41.0%	178	33.0%	203	34.9%
5 688	31.4%	4 999	29.8%	3 442	19.0%	3 226	19.2%
5 655	45.0%	5 507	45.9%	4 008	31.9%	2 991	25.0%
3 726	51.1%	3 473	53.1%	2 562	35.1%	2 396	36.6%
2 024	37.4%	2 157	38.2%	822	15.2%	(243)	nm
(551)	nm	(2 220)	nm	(576)	nm	(6 283)	nm
2 078	30.9%	1 939	29.7%	1 493	22.2%	1 365	20.9%
(1 112)	nm	(715)	nm	(1 754)	nm	(1 191)	nm
(26)	-	(44)	-	48	-	(7)	-
35 209	33.8%	31 980	31.4%	21 327	20.5%	9 755	9.6%

Definitions

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

Mobile operations

Revenues

Subscription and traffic

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

Interconnect

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

Other mobile

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

Non-mobile

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

Mobile revenues from company's own subscriptions

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

Key Figures

Subscriptions

Contract subscriptions are counted until the subscription is terminated or until there has been no revenues or outgoing/incoming traffic during the last three months. Prepaid subscriptions are counted as active if there has been outgoing or incoming traffic or if the SIM card has been reloaded during the last three months. Service provider and MVNO subscriptions are not included. Data only SIM cards are included, but SIM cards used for telemetric applications and twin/multi SIM cards are excluded. Total subscriptions are voice SIM cards plus data only SIM cards used for mobile broadband.

Mobile broadband subscriptions

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

Average traffic minutes per subscription per month (AMPU)

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

Average revenue per subscription per month (ARPU)

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

Fixed operations

Revenues

Telephony

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

Internet and TV

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

Data services

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

Other

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

Wholesale

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

Key Figures

Subscriptions

Telephony consist of PSTN, ISDN and VoIP subscriptions.

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

TV consists of TV services over fibre and cable.

Subscriptions are counted until the subscription is terminated.

Average revenue per subscription per month (ARPU)

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

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

TV ARPU is calculated based on revenues from TV services.

Broadcast

Revenues

Canal Digital DTH

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

Satellite Broadcasting

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

Norkring

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

Conax

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

Other

- consist of revenues from Telenor Media Invest.

Notes

Notes

Notes

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