



Q3/ 2014

Interim report
January–September 2014

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All-time high revenues and EBITDA

Highlights third quarter 2014

- Organic revenue growth of 3.5%¹⁾
- EBITDA margin of 37%
- Operating cash flow of NOK 6.3 billion²⁾
- Earnings per share of NOK 1.72

Highlights first three quarters 2014

- Organic revenue growth of 2.2%¹⁾
- EBITDA margin of 36%
- Operating cash flow of NOK 17.6 billion²⁾
- Earnings per share of NOK 5.70

Jon Fredrik Baksaas
Jon Fredrik Baksaas
President & CEO

“During the third quarter, we continued to drive profitability and revenue growth and reported the best quarter ever in terms of EBITDA and operating cash flow. We added 3.4 million new mobile subscribers during the period, fuelled by customer uptake in India, Bangladesh, Malaysia and our newest market Myanmar.

Our extensive 4G network expansion in Norway combined with an increased number of 4G enabled devices fuelled consumers’ appetite for data and resulted in robust revenue growth in the quarter. Ever-evolving customer expectations require further investments and strong focus on efficient operations in Norway.

In Thailand, revenue and subscription growth were impacted in the quarter as a direct result of intensified competition and a slow economic recovery. To meet strong demand for internet services, mobile data and match fast-changing consumer lifestyles, dtac is stepping up its investment in 3G and 4G networks. The migration to the new 3G licence continues to drive regulatory cost savings. Ongoing disputes remain part of the business environment in Thailand, which we will continually work to address.

At the end of September, we launched our services in Myanmar, bringing our first customers online. Telenor started in the nation’s second-largest

city of Mandalay and thereafter moved towards the metropolitan hubs of Nay Pyi Taw and Yangon. We will proceed to connect the unconnected in more towns, villages as well as rural areas and look forward to providing essential infrastructure to the people of Myanmar. On 25 October we passed the 1 million subscriber mark and we are confident this promising trend will continue.

We will carry on with our relentless efforts to drive profitable growth from increased internet consumption. Out of our total customer base of close to 180 million subscribers, some 29 percent are currently active internet users. To capture this growth potential, we will continue to offer affordable and relevant services, thereby stimulating demand and consequently monetizing internet usage.

Based on the performance so far this year and our expectations for the remainder of 2014, we maintain our full-year guidance. As previously communicated, we expect an EBITDA margin above last year and low single digit organic revenue growth.”

Key figures Telenor Group

(NOK in millions except earnings per share)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013
Revenues	27 685	25 953	81 003	76 416	104 027
EBITDA before other income and other expenses	10 263	9 619	29 178	26 899	35 892
EBITDA before other income and other expenses/Revenues (%)	37.1	37.1	36.0	35.2	34.5
Adjusted operating profit ³⁾	6 391	6 281	17 852	16 732	22 161
Adjusted operating profit/Revenues (%)	23.1	24.2	22.0	21.9	21.3
Profit after taxes and non-controlling interests	2 586	3 917	8 581	10 767	8 748
Earnings per share from total operations, basic, in NOK	1.72	2.59	5.70	7.05	5.74
Capex	4 808	5 589	16 283	11 941	17 044
Capex excl. licences and spectrum	3 914	3 730	11 592	10 081	14 659
Capex excl. licences and spectrum/Revenues (%)	14.1	14.4	14.3	13.2	14.1
Operating cash flow ²⁾	6 349	5 889	17 585	16 817	21 233
Net interest-bearing liabilities ⁴⁾			40 378	37 752	39 395

Please refer to page 10 for the full outlook for 2014, and page 20 for definitions.

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

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

³⁾ Adjusted operating profit is defined as Operating profit less other income and other 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 third quarter of 2014 compared to the third quarter of 2013, unless otherwise stated. All comments on EBITDA are made on development in EBITDA before other income and expenses (other items). Please refer to page 8 for 'Specification of other income and expenses'. Additional information is available at: www.telenor.com/ir



Norway

(NOK in millions)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013
Revenues mobile operation					
Subscription and traffic	2 879	2 623	8 169	7 598	10 112
Interconnect revenues	204	194	603	575	777
Other mobile revenues	349	325	1 027	986	1 315
Non-mobile revenues	343	226	896	711	1 103
Total revenues mobile operation	3 775	3 368	10 695	9 872	13 308
Revenues fixed operation					
Telephony	613	677	1 856	2 119	2 782
Internet and TV	1 350	1 262	3 998	3 742	5 060
Data services	119	117	346	343	463
Other fixed revenues	380	365	1 194	1 051	1 504
Total retail revenues	2 462	2 420	7 393	7 255	9 810
Wholesale revenues	439	486	1 368	1 466	1 953
Total revenues fixed operation	2 901	2 906	8 760	8 721	11 763
Total revenues	6 675	6 274	19 455	18 593	25 071
EBITDA before other items	3 067	2 881	8 508	8 213	10 758
Operating profit	2 194	2 020	5 623	5 737	7 423

EBITDA before other items/Total revenues (%)	45.9	45.9	43.7	44.2	42.9
Capex	988	1 138	3 028	3 246	4 863
Investments in businesses	10	-	10	26	101

Mobile ARPU - monthly (NOK)	320	294	304	286	285
Fixed Telephony ARPU	277	266	271	269	271
Fixed Internet ARPU	344	327	340	324	327
TV ARPU	284	257	278	249	256

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

Mobile	11	21	3 215	3 201	3 216
Fixed telephony	(25)	(30)	726	827	800
Fixed Internet	(2)	(5)	860	862	864
TV	-	(2)	530	525	527

- The number of mobile subscriptions increased by 11,000 during the quarter. At the end of the quarter, the subscription base was slightly higher than at the end of third quarter last year. 69% of the subscribers are now active data users, and the median data usage increased by 64% compared to third quarter last year.
- Mobile ARPU increased by 9% or NOK 26 following strong growth in data usage and customers choosing tariffs with larger data volumes. Price reductions on international data roaming were offset by increased usage.
- Mobile revenue growth was 12% due to a larger subscription base, increased ARPU and higher handset sales.
- Fixed revenues remained stable as increased revenues from Internet and TV were offset by reductions in fixed telephony and wholesale revenues. Total reported revenue growth was 6%.
- Operational expenditure increased by 3% due to high activity levels partly driven by transformation projects.
- EBITDA increased by 6%. The EBITDA margin remained stable as the growth in mobile service revenues was accompanied by increase in low-margin hardware sales, declining contribution from fixed telephony and increased operating expenditure.
- This quarter, capital expenditure was driven by a continued 4G network rollout at high speed and fibre footprint. 280 new 4G base stations were added in the quarter, increasing the 4G coverage to 80% of the population. During the quarter, Telenor added 5,000 fibre customers.
- Tele2 has terminated the national roaming agreement with Telenor. The agreement expires on 1 April 2015.
- With ambitious plans for infrastructure investments and a declining fixed telephony business, further efficiency measures are required to deliver sound returns on our investments also in the coming years.

Sweden

(NOK in millions)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013
Revenues mobile operation					
Subscription and traffic	1 395	1 395	4 212	3 981	5 388
Interconnect revenues	124	122	381	410	541
Other mobile revenues	86	85	237	225	323
Non-mobile revenues	526	500	1 440	1 388	2 064
Total revenues mobile operation	2 132	2 103	6 271	6 005	8 316
Revenues fixed operation	760	664	2 343	1 972	2 657
Total revenues	2 891	2 766	8 614	7 977	10 973

EBITDA before other items	964	931	2 703	2 441	3 266
Operating profit	582	573	1 559	1 389	1 824

EBITDA before other items/Total revenues (%)	33.3	33.7	31.4	30.6	29.8
Capex	318	251	991	858	1 361
Investments in businesses	1	-	751	3	10

Mobile ARPU - monthly (NOK)	204	208	206	204	205
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No. of subscriptions - Change in quarter/Total (in thousands):

Mobile	18	25	2 491	2 433	2 484
Fixed telephony	(9)	(14)	322	290	277
Fixed Internet	1	(5)	658	529	530
TV	-	(3)	517	286	284

Exchange rate		0.9160	0.8929	0.9022	
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- The number of mobile subscriptions increased by 18,000 during the quarter, driven by growth within contract subscriptions. The subscription base was 2% higher than at the end of third quarter last year. 66% of the subscribers are active data users.
- The number of fixed internet subscriptions increased by 1,000 in the quarter, as the continued decline in DSL subscriptions was offset by an increase in high-speed internet subscriptions.
- Mobile ARPU in local currency was stable despite high and increasing data volume growth.
- Mobile revenues in local currency increased by 3%, explained by higher handset sales and growth in subscription and traffic revenues.
- Fixed revenues in local currency increased by 17% as a consequence of the acquisition of Tele2's internet and cable business in January 2014. Excluding the SEK 151 million contribution from the acquired business, fixed revenues decreased by 4%, mainly due to lower ARPU and reduced number of telephony and DSL subscriptions.
- EBITDA in local currency increased by 5%. The reported EBITDA margin was stable. Adjusted for the acquisition of Tele2's internet and cable business as mentioned above, the underlying EBITDA margin improved by 1 percentage point, mainly driven by lower operation and maintenance costs.
- Capital expenditure in the quarter was mainly related to 4G and LAN rollouts, and partially from 3G swap and IS/IT investment related to product developments.

Denmark

(NOK in millions)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013
Revenues mobile operation					
Subscription and traffic	735	736	2 173	2 131	2 858
Interconnect revenues	61	69	182	210	283
Other mobile revenues	(17)	23	51	69	109
Non-mobile revenues	310	234	729	712	993
Total revenues mobile operation	1 089	1 062	3 136	3 122	4 242
Revenues fixed operation	154	184	481	547	724
Total revenues	1 243	1 246	3 616	3 668	4 966

EBITDA before other items	229	302	550	777	1 014
Operating profit (loss)	23	108	(86)	140	136

EBITDA before other items/Total revenues (%)	18.5	24.2	15.2	21.2	20.4
Capex	103	113	359	325	434
Investments in businesses	(14)	-	(14)	-	103

Mobile ARPU - monthly (NOK)	139	142	140	136	138
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No. of subscriptions - Change in quarter/Total (in thousands):

Mobile	41	(40)	1 929	1 856	1 828
Fixed telephony	(5)	(9)	96	117	111
Fixed Internet	-	(5)	161	170	166

Exchange rate		1.1098	1.0278	1.0470	
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- The number of mobile subscriptions increased by 41,000 during the quarter, primarily as a consequence of successful family offers together with good performance in the business segment. At the end of the quarter, the subscription base was 4% higher than in the same period last year. 65% of the subscribers are active data users.
- Mobile ARPU in local currency decreased by 7%, due to a shift towards lower priced offerings, in addition to interconnect and roaming rate reductions.
- Mobile revenues in local currency decreased by 1%. Increased handset revenues were more than offset by decreased service revenues.
- Total revenues in local currency decreased by 4%, mainly due to lower fixed revenues.
- EBITDA in local currency decreased by DKK 78 million, of which DKK 53 million due to lower gross profit and DKK 25 million due to higher operating expenditure.
- Capital expenditure was primarily related to the ongoing 2G network migration under the network sharing agreement with Telia. See Other units for additional information on investments in common business support systems.

Hungary

(NOK in millions)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013

Revenues

Subscription and traffic	799	808	2 372	2 337	3 177
Interconnect revenues	141	128	411	368	506
Other mobile revenues	22	25	63	64	85
Non-mobile revenues	85	60	243	162	254
Total revenues	1 047	1 020	3 089	2 930	4 022

EBITDA before other items	346	351	1 096	1 085	1 393
Operating profit	225	246	722	775	968

EBITDA before other items/Total revenues (%)	33.0	34.4	35.5	37.0	34.6
Capex	82	638	204	740	933

No. of subscriptions - Change in quarter/Total (in thousands):	20	21	3 233	3 270	3 270
ARPU - monthly (NOK)	98	96	96	92	94
Exchange rate			0.0268	0.0258	0.0263

- The number of subscriptions increased by 20,000 in the quarter following strong sales in both prepaid and contract segments together with reduced churn. The subscription base was 1% lower than at the end of the same period last year. 33% of the subscribers are active data users.
- ARPU in local currency increased by 2% driven by migration to bundled tariffs as well as higher interconnect revenues from increased incoming voice traffic.
- Revenues in local currency grew by 3% as increased ARPU together with higher handset sales more than offset the effect from a lower subscription base.
- The EBITDA margin decreased by 1 percentage point. The positive effect from increased revenues was more than offset by higher telecommunication tax and a 2% increase in operating expenditure. The telecommunication tax amounted to NOK 97 million in the third quarter, and impacts the EBITDA margin adversely by 9 percentage points.
- The increase in capital expenditure was mainly related to 3G and 4G network roll-out. See Other units for additional information on investments in common business support systems.
- On 29 September, the multiband spectrum auction was concluded. Telenor secured spectrum in the 800 MHz, 900 MHz and 2600 MHz frequency bands for an upfront payment of NOK 0.8 billion to be paid in fourth quarter.

Globul - Bulgaria

(NOK in millions)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013

Revenues

Subscription and traffic	555	342	1 580	342	862
Interconnect revenues	37	22	103	22	56
Other mobile revenues	12	11	24	11	17
Non-mobile revenues	103	79	283	79	216
Total revenues	707	454	1 989	454	1 151

EBITDA before other items	291	165	788	165	373
Operating profit	(73)	53	(444)	53	(81)

EBITDA before other items/Total revenues (%)	41.1	36.3	39.6	36.3	32.4
Capex	218	24	308	24	121

No. of subscriptions - Change in quarter/Total (in thousands):	42	3 944	4 047	3 944	3 995
ARPU - monthly (NOK)	49	46	49	46	46
Exchange rate			4.2325	4.0675	4.1524

Globul was consolidated from 1 August 2013. 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 42,000 in the third quarter mainly driven by growth in both the prepaid and contract segment. At the end of the quarter, the subscription base was 3% higher than at the end of third quarter last year. 25% of the subscribers are active data users.
- Reported ARPU in local currency increased by 3%. Excluding an accounting adjustment, ARPU remained stable.
- Revenues decreased by 1% driven by reduced handset sales and inbound roaming, partly offset by higher ARPU, higher subscription base and an accounting adjustment. Excluding the accounting adjustment, revenues decreased by 3%.
- The EBITDA margin increased by 7 percentage points compared to third quarter last year, mainly from lower handset sales and lower sales and marketing cost.
- Operating profit decreased despite higher EBITDA mainly due to higher accelerated depreciations.
- The network renovation is progressing according to plan and is highly affecting capital expenditure in the third quarter. At the end of the third quarter, approximately 40% of the network had been swapped. The network renovation is expected to be completed during first half of 2015.

Montenegro & Serbia

(NOK in millions)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013

Revenues

Subscription and traffic	635	645	1 796	1 761	2 364
Interconnect revenues	177	193	505	534	727
Other mobile revenues	48	44	96	88	105
Non-mobile revenues	59	48	169	139	197
Total revenues	918	930	2 566	2 523	3 393

EBITDA before other items	377	395	1 006	1 043	1 355
Operating profit	286	310	727	798	1 014

EBITDA before other items/Total revenues (%)	41.1	42.5	39.2	41.4	39.9
Capex	65	58	202	163	242

No. of subscriptions - Change in quarter/Total (in thousands):	152	121	3 656	3 681	3 545
ARPU - monthly (NOK)	75	77	71	71	72
Exchange rate (RSD)			0.0713	0.0680	0.0690
Exchange rate (EUR)			8.2779	7.6652	7.8087

- The number of subscriptions increased by 152,000 during the quarter and was mainly driven by seasonal uptake of prepaid subscriptions. The subscription base decreased by 1% compared to the same period last year. 41% of the subscribers are active data users.
- ARPU in local currency decreased by 4%. Adjusted for the changes in interconnect rates, ARPU decreased by 2% from lower out of bundle usage.
- Revenues in local currency decreased by 3%. Excluding the interconnect changes, revenues decreased by 2% following decreased ARPU, lower subscription base and reduced handset sales.
- In September, Telenor launched mobile banking services in Serbia. In the first phase Telenor Banka offer payment services, multicurrency accounts, debit cards and user friendly applications for mobile.
- The EBITDA margin decreased by 2 percentage points compared to third quarter last year mainly driven by start-up costs related to the mobile banking services and smartphone subsidies, partly offset by reduced interconnect rates.
- Capital expenditure was mainly related to network rollout and investments in the bank.

- The interconnect rates in Serbia were reduced from RSD 4.8 to RSD 3.95 on 1 January 2014 and in Montenegro from EUR 0.04 to EUR 0.022 effective on 1 March 2014.
- SMS interconnect was introduced in Serbia from 1 September 2014 between Telenor and mts with RSD 2 per SMS.

dtac - Thailand

(NOK in millions)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013
Revenues					
Subscription and traffic	3 141	3 171	9 321	9 552	12 751
Interconnect revenues	422	432	1 245	2 032	2 494
Other mobile revenues	37	53	129	217	276
Non-mobile revenues	482	414	1 601	1 580	2 591
Total revenues	4 081	4 069	12 297	13 380	18 112
EBITDA before other items	1 523	1 362	4 517	4 241	5 763
Operating profit	781	785	2 526	2 552	3 442
EBITDA before other items/Total revenues (%)	37.3	33.5	36.7	31.7	31.8
Capex	405	781	1 817	1 567	2 776

No. of subscriptions - Change in quarter/ Total (in thousands):	(259)	240	27 780	27 471	27 942
ARPU - monthly (NOK)	42	44	42	48	47
Exchange rate			0.1887	0.1913	0.1912

- The number of subscriptions decreased by 259,000 during the quarter driven by decline in prepaid base partly offset by postpaid subscriber growth. At the end of the quarter, the subscriber base was 1% higher than at the end of third quarter last year. 45% of the subscribers are active data users.
- In third quarter, the competition for subscribers intensified through increased device subsidies on both simple and high-end 3G-enabled phones.
- Reported ARPU in local currency decreased by 6% driven by decline in voice revenues in the prepaid segment partly offset by increased revenues from data.
- Total revenues in local currency declined by 2% from lower ARPU partly offset by larger subscriber base and increased handset sales.
- The EBITDA margin improved by 4 percentage points. Continued reduction in regulatory costs following the migration to the 2.1 GHz network was partly offset by lower gross margin related to ongoing handset campaigns and increased market spend. Excluding one-time change to bad debt provision rates this year, the EBITDA margin improved 3 percentage points. EBITDA in local currency increased by 9%.
- The migration to 3G services on the 2.1 GHz network continued through third quarter and at the end of the quarter, dtac had 20 million subscribers on the new network.
- Capital expenditure declined from third quarter last year, and is expected to step up in fourth quarter.
- On 10 October 2014, dtac was informed that TOT increased its claim for access charge by NOK 27 billion for the period May 2011 - July 2014, so that the total claim for the period November 2006 - July 2014 amounts to approximately NOK 49.6 billion, plus default interests. Presently, this case is under consideration of the Central Administrative Court. See Note 7 for more information.

DiGi - Malaysia

(NOK in millions)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013
Revenues					
Subscription and traffic	2 912	2 662	8 318	7 820	10 589
Interconnect revenues	164	178	477	548	729
Other mobile revenues	40	36	113	101	143
Non-mobile revenues	326	266	937	815	1 095
Total revenues	3 442	3 142	9 846	9 283	12 556
EBITDA before other items	1 558	1 417	4 447	4 139	5 651
Operating profit	1 303	1 008	3 766	2 731	4 008
EBITDA before other items/Total revenues (%)	45.2	45.1	45.2	44.6	45.0
Capex	534	432	1 263	1 136	1 383
No. of subscriptions - Change in quarter/ Total (in thousands):	442	279	11 345	10 827	10 995
ARPU - monthly (NOK)	92	89	89	88	89
Exchange rate			1.8862	1.8567	1.8647

- The number of subscriptions increased by 442,000 this quarter. At the end of this period, the subscription base was 5% higher than at the same time last year. 53% of the subscribers are now active data users.
- ARPU in local currency decreased by 2% due to reduced interconnect rate from 1 January and price competition in voice, especially in the migrant segment.
- Total revenues in local currency increased by 3% as the effects of a larger subscription base and increased handset sales more than offset the reduced ARPU. Subscription and traffic revenues in local currency increased by 3%. Mobile internet revenues increased by 40% on the back of improved 3G network coverage and quality.
- The EBITDA margin remained stable following stable gross margin and strong cost control. EBITDA in local currency increased by 4%.
- Operating profit improved from higher EBITDA and lower accelerated depreciation this year.
- Capital expenditure was high this quarter following network expansion and completion of a new billing system.

Grameenphone - Bangladesh

(NOK in millions)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013
Revenues					
Subscription and traffic	1 765	1 636	5 153	4 601	6 212
Interconnect revenues	222	210	635	557	751
Other mobile revenues	7	6	24	19	26
Non-mobile revenues	81	87	248	221	305
Total revenues	2 075	1 939	6 061	5 399	7 294
EBITDA before other items	1 127	1 028	3 273	2 740	3 709
Operating profit	778	789	2 284	1 953	2 562

EBITDA before other items/Total revenues (%)	54.3	53.0	54.0	50.7	50.9
Capex	230	1 525	732	1 769	2 256

No. of subscriptions - Change in quarter/ Total (in thousands):	1 058	2 075	50 291	46 043	47 110
ARPU - monthly (NOK)	13	14	13	13	13
Exchange rate			0.0788	0.0743	0.0752

- During the third quarter, Grameenphone added 1.1 million subscriptions and passed the 50 million customer mark. At the end of the quarter, the subscription base was 9% higher than the same quarter last year. 20% of the subscribers are now active data users.
- ARPU in local currency decreased by 7% due to extreme weather reducing usage, migration to lower priced offerings, and the continued dilution effect from subscription growth in lower revenue generating segments.
- Total revenues in local currency increased by 2% driven by continued growth in subscriber base and higher data revenues from 3G services, partly offset by a 50% reduction in the international interconnect rate effective from mid-September. Subscription and traffic revenues in local currency increased by 3%.
- The EBITDA margin improved by 1 percentage point mainly from higher revenues, reduced subscriber acquisition costs and lower handset sales. EBITDA in local currency increased by 4%.
- Capital expenditure was mainly prioritised towards expanding both 3G and 2G network coverage and capacity.

Pakistan

(NOK in millions)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013
Revenues					
Subscription and traffic	1 099	1 003	3 307	3 040	4 025
Interconnect revenues	96	114	310	377	487
Other mobile revenues	7	6	21	17	14
Non-mobile revenues	324	223	838	631	879
Total revenues	1 526	1 346	4 476	4 065	5 406
EBITDA before other items	563	511	1 759	1 582	2 052
Operating profit (loss)	360	282	1 176	499	822

EBITDA before other items/Total revenues (%)	36.9	37.9	39.3	38.9	38.0
Capex	451	269	1 660	1 124	1 279

No. of subscriptions - Change in quarter/ Total (in thousands):	(195)	160	36 377	32 344	33 405
ARPU - monthly (NOK)	11	12	11	12	12
Exchange rate			0.0607	0.0583	0.0579

- The number of subscriptions decreased by 195,000 during the quarter following the nationwide implementation of biometric verification of all new sales of SIMs from 1 August. At the end of the quarter, the subscription base was 12% higher than the same quarter last year. 24% of the subscribers are now active data users.
- ARPU in local currency decreased by 12%, primarily due to extreme weather and flooding in central Pakistan and continued intense industry wide on-net competition. The drop was partially offset by revenues from data and voice bundles and higher surcharge on refills.
- Total revenues in local currency increased by 6%, mainly due to continued growth in the subscription base, growth in data services and increased revenues from incoming international traffic after leaving the International Clearing House. Financial services contributed with 2 percentage points to the overall growth.
- The EBITDA margin decreased by 1 percentage point due to accruals for the introduction of a new SIM issuance tax in the 2014 Finance Act, which impacted the margin negatively by 5 percentage points during the quarter. This was partly offset by reduced operations and maintenance costs following completion of the network modernisation, and lower energy costs from several energy saving initiatives. EBITDA in local currency increased by 3%.
- Capital expenditure increased from further expansion of 2G network in addition to the scheduled rollout of additional 3G sites, expanding the coverage to 1,500 sites in 33 cities.

India

(NOK in millions)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013
Revenues	1 074	729	3 013	2 165	3 001
EBITDA before other items	(136)	(140)	(325)	(478)	(585)
Operating profit (loss)	(195)	(143)	1 167	(444)	(576)

Capex	997	52	1 243	130	214
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No. of subscriptions - Change in quarter/ Total (in thousands) *):	1 807	1 495	34 363	26 000	28 004
ARPU - monthly (NOK)	11	10	11	10	10
Exchange rate			0.1007	0.1014	0.1004

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

- Telenor's Indian operation added 1.8 million subscriptions during the third quarter. At the end of the quarter, the subscription base was 32% higher than the same quarter last year.
- Despite prolonged rain and heavy flooding driving down consumption in the quarter, ARPU in local currency increased by 4% to INR 104 in the third quarter compared to same quarter last year. The ARPU growth was driven by higher share of internet users and improved quality of the subscription base. At the end of the third quarter, close to 20% of the subscribers were active data users.
- The growth in subscriptions and ARPU resulted in a revenue growth in local currency of 38% compared to same quarter last year.
- The network coverage expansion programme initiated in the first quarter gained speed in the third quarter, with 3,100 new sites launched during the third quarter. The step-up in network expansion resulted in increased operating expenditure and capital expenditure this quarter. Of the total planned 5,000 new sites 4,400 sites are now deployed. This has increased population coverage in the six circles from 42% to approximately 50%.
- On 8 September Telewings received a Letter of Intent for spectrum acquired in the February 2014 auction. The spectrum cost of INR 8.1bn has as a result been capitalized from this date.
- On 16 October, Telenor increased its ownership in Telewings from 74% to 100%, following reception of FIPB approval in September.

Myanmar

(NOK in millions)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013
Revenues	3	-	3	-	-
EBITDA before other items	(108)	-	(259)	-	(48)
Operating profit (loss)	(112)	-	(269)	-	(48)

Capex	204	-	3 683	-	7
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No. of subscriptions - Change in quarter/ Total (in thousands):	281	-	281	-	-
Exchange rate (MMK)			0.0063	-	0.0062

- Telenor Myanmar reached a milestone when it launched commercially in Mandalay on 27 September. On 3 October Telenor Myanmar also launched in Nay Pyi Taw, and on 26 October services were launched in Yangon.
- By the end of the third quarter a total of 281k subscriptions were activated, with only four days in operation. On 25 October, Telenor Myanmar passed the 1 million subscriber mark.
- The operating expenditure and capital expenditure in the quarter reflects the launch preparations and will increase going forward with launches taking place in new cities and townships.
- At the end of the third quarter, 427 employees were employed by Telenor Myanmar, an increase of 68 employees from the second quarter this year.

Broadcast

(NOK in millions)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013
Revenues					
Canal Digital DTH	1 122	1 146	3 359	3 385	4 536
Satellite Broadcasting	238	241	715	724	971
Norkring	291	270	869	775	1 057
Conax	-	145	166	437	627
Other/Eliminations	(115)	(123)	(351)	(364)	(457)
Total revenues	1 537	1 680	4 759	4 957	6 735

EBITDA before other items

Canal Digital DTH	197	212	547	580	731
Satellite Broadcasting	167	171	485	489	661
Norkring	153	146	437	395	525
Conax	-	62	49	166	243
Other/Eliminations	(5)	(20)	(26)	(44)	(52)
Total EBITDA before other items	512	570	1 493	1 586	2 109

Operating profit

Canal Digital DTH	141	196	461	535	673
Satellite Broadcasting	110	106	315	307	422
Norkring	87	86	246	207	268
Conax	-	52	41	138	203
Other/Eliminations	(5)	(20)	1 184	(52)	(73)
Total operating profit	333	420	2 246	1 136	1 493

EBITDA before other items/Total revenues (%)	33.4	34.0	31.4	32.0	31.3
Capex	111	151	328	419	572

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

DTH TV	(1)	(3)	914	931	929
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- Adjusted for the divestment of Conax, total revenues, EBITDA and EBITDA margin were on level with the third quarter last year.
- Revenues in Canal Digital DTH decreased by 2% due to lower subscriber base and hardware sales.
- The EBITDA margin in Canal Digital DTH was 18%, 1 percentage point lower than last year mainly due to lower revenues and higher customer acquisition cost.
- Operating profit in Canal Digital was affected by 44 MNOK due to the write-down of platform investments.
- Revenues and EBITDA in Satellite Broadcasting were on level with last year.
- Revenues in Norkring increased by 8% due to digital audio broadcasting (DAB) rollout and higher installation revenues in Norway, while EBITDA increased by 5%.
- Capital expenditure decreased primarily due to lower digital audio broadcasting (DAB) network investments in Norkring and reversal of platform investments in Canal Digital.

Other units

(NOK in millions)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013
Revenues					
International wholesale	602	434	1 540	1 310	1 730
Telenor Digital	175	128	513	391	556
Corporate functions	613	532	1 859	1 610	2 244
Other/Eliminations	140	91	293	203	279
Total revenues	1 530	1 185	4 206	3 514	4 809

EBITDA before other items

International wholesale	21	24	50	55	71
Telenor Digital	(27)	(49)	(108)	(209)	(263)
Corporate functions	(92)	(164)	(395)	(518)	(759)
Other/Eliminations	49	40	92	53	73
Total EBITDA before other items	(50)	(149)	(361)	(618)	(877)

Operating profit (loss)

International wholesale	13	16	25	35	43
Telenor Digital	(40)	(229)	(127)	(442)	(511)
Corporate functions	(211)	(281)	(831)	(874)	(1 260)
Other/Eliminations	24	25	50	15	22
Total operating profit (loss)	(214)	(469)	(884)	(1 266)	(1 706)

Capex	102	156	465	447	618
Investments in businesses	124	5 219	452	5 252	6 676

- Revenues in International wholesale increased due to higher volumes.
- Revenues and EBITDA in Telenor Digital increased mainly due to improved results in machine-to-machine business. Operating profit increased due to workforce reductions and impairment of intangible assets last year.
- Revenues in Other/Eliminations increased due to higher volumes within Maritime Communication Partner. In addition, Otrum was consolidated from August this year.
- EBITDA in Corporate functions increased mainly due to increased internal revenues.
- NOK 33 million were invested for the development of new business support systems in Denmark and Hungary. Total investments year to date related to this project is NOK 227 million.
- Investments in businesses decreased mainly due to the acquisition of 100% of the shares in the Bulgarian mobile operator Globul last year.

Group overview

The comments below are related to Telenor's development in the first nine months of 2014 compared to the first nine months of 2013 unless otherwise stated. Please refer to note 10 for further information.

Revenues

- Revenues increased by 6.0% or NOK 4.6 billion from higher revenues in all operations except dtac, Denmark and Broadcast. The challenging business environments in Denmark and Thailand are affecting the operations in these countries. Dtac revenues in the first half of the year were also severely impacted by the effect of lower interconnect rates. The decline in revenue in Broadcast is attributable to the divestment of Conax. Positive currency effects on revenues of NOK 1.3 billion.

EBITDA before other items

- EBITDA before other items increased by NOK 2.3 billion or 8.5%, of which NOK 0.6 billion from the inclusion of Globul in Bulgaria. The remainder follows improved performance in all operations except Denmark, Hungary, Montenegro & Serbia and Broadcast. There were positive currency effects on EBITDA of NOK 0.5 billion.

Specification of other income and other expenses

(NOK in millions)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013
EBITDA before other income and other expenses	10 263	9 619	29 178	26 899	35 892
EBITDA before other income and other expenses (%)	37.1	37.1	36.0	35.2	34.5
Licence refund in India	-	-	1 659	-	-
Gains on disposals of fixed assets and operations	4	66	1 308	157	182
Losses on disposals of fixed assets and operations	(32)	(10)	(99)	(148)	(213)
Workforce reductions and loss contracts	(73)	(210)	(578)	(527)	(651)
EBITDA	10 163	9 465	31 467	26 381	35 209
EBITDA margin (%)	36.7	36.5	38.8	34.5	33.8

- In the third quarter of 2014 'Other income and other expenses' consisted mainly of:
 - Workforce reductions in Telenor Denmark (NOK 29 million).
 - Onerous contracts in Canal Digital (NOK 38 million).
- First three quarters of 2014 'Other income and other expenses' also included:
 - Licence refund in India. See note 4 for further information.
 - Gains on disposals of operations were mainly related to divestment of Conax.
 - Workforce reductions in Telenor Norway and in Corporate Functions.

Operating profit

- Operating profit increased by NOK 4.0 billion due to improved EBITDA and NOK 2.8 billion higher other items as described above, partly offset by higher depreciation and amortisation.

Associated companies and joint ventures

(NOK in millions)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013
Telenors share of					
Profit (loss) after taxes	(189)	1 244	(2 431)	3 371	(440)
Amortisation of Telenor's net excess values	(37)	(67)	(129)	(229)	(285)
Impairment losses	(68)	(4)	(68)	(315)	(504)
Gains (losses) on disposal of ownership interests	4	-	(61)	(359)	(359)
Profit (loss) from associated companies and joint ventures	(291)	1 173	(2 689)	2 468	(1 588)

- Profit (loss) after tax from associated companies and joint ventures in the third quarter of 2014 includes net income of NOK 204 million for Telenor's share of VimpelCom's result for the second quarter of 2014.
- Profit (loss) after tax from associated companies and joint ventures in the third quarter of 2014 is impacted negatively with NOK 238 million from our online classifieds ventures with Schibsted ASA, mainly due to activities to build market positions.
- Total loss from associated companies in the third quarter of 2014 includes NOK 276 million related to the impairment losses in Amedia due to lower than expected performance.

Financial items

(NOK in millions)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013
Financial income	125	122	384	459	576
Financial expenses	(679)	(572)	(1 572)	(1 746)	(2 502)
Net currency gains (losses)	(77)	(502)	105	(570)	(498)
Net change in fair value of financial instruments	44	124	121	517	472
Net gains (losses and impairment) of financial assets and liabilities	10	2	30	(15)	39
Net financial income (expenses)	(577)	(827)	(932)	(1 354)	(1 914)
Gross interest expenses	(608)	(489)	(1 374)	(1 410)	(2 058)
Net interest expenses	(537)	(416)	(1 163)	(1 097)	(1 666)

- The increase in net interest expenses in the third quarter compared to same quarter last year is mainly due to higher level of interest-bearing debt and higher average interest rates due to changed currency composition of interest-bearing debt.
- The change in fair value of financial instruments was related to ineffectiveness in fair value hedges and derivatives used for economic hedges that do not fulfil the requirements for hedge accounting.

Taxes

- The estimated effective tax rate for the third quarter and the first three quarters of 2014 was 34% and 31% respectively. The underlying tax rate remains stable at around 31%, while the effective tax rate is higher in the third quarter, mainly due to losses from associated companies (which are included on an after tax basis) and losses in India. In the first half of 2014, the effect of the losses from associated companies was offset by the non-taxable gain on sale of Conax and licence refund in India.
- The effective tax rate for the year 2014 is estimated to be around 31%.

Investments

(NOK in millions)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013
Capex	4 808	5 589	16 283	11 941	17 044
Capex excl. licences and spectrum	3 914	3 730	11 592	10 081	14 659
Capex excl. licences and spectrum/Revenues (%)	14.1	14.4	14.3	13.2	14.1

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

Cash Flow

- Net cash inflow from operating activities during the first three quarters of 2014 was NOK 27.8 billion, a decrease of NOK 2.0 billion compared to the first three quarters of 2013. This is mainly explained by a NOK 6.5 billion reduction in dividends received from VimpelCom Ltd. This effect was partially offset by higher EBITDA before other items of NOK 2.3 billion, lower income tax paid of NOK 1.3 billion, and improved working capital by NOK 0.7 billion.
- Net cash outflow to investing activities during the first three quarters of 2014 was NOK 14.9 billion, an increase of NOK 1.2 billion compared to the first three quarters of 2013. The increase is mainly explained by higher investments in network assets and licences of NOK 4.9 billion, acquisition of Tele2's fibre and cable business and investments in joint ventures of NOK 1.0 billion. In addition, there was a decrease in proceeds from short term interest-bearing placements of NOK 0.7 billion. Those effects are partially offset by acquisition of Globul of NOK 4.5 billion in 2013 and net cash received on divestment of Conax amounting to NOK 1.2 billion.
- Net cash outflow to financing activities during the first three quarters of 2014 was NOK 11.8 billion. This is explained by dividends paid to shareholders in Telenor ASA of NOK 10.6 billion and to non-controlling interest of NOK 2.6 billion, share buyback of NOK 1 billion, partially offset by net proceeds from borrowings of NOK 2.4 billion.
- Cash and cash equivalents increased by NOK 1.2 billion during the first three quarters of 2014 to NOK 13.2 billion as of 30 September 2014.

Financial Position

- During the first three quarters of 2014, total assets increased by NOK 0.3 billion to NOK 181.2 billion. This was mainly due to higher investments in network and licences and weakening of Norwegian krone against relevant currencies in Asia. These effects were partially offset by a decrease in carrying amount of associated companies arising from Telenor's share of negative results and other comprehensive income in VimpelCom Ltd.
- Net interest bearing liabilities increased by NOK 1.0 billion to NOK 40.4 billion. Gross interest bearing liabilities increased by NOK 3.0 billion, which was partially offset by increase in cash and cash equivalents of NOK 1.3 billion and increase in value of hedging instruments of NOK 0.7 billion.
- Total equity decreased by NOK 7.2 billion to NOK 69.9 billion mainly due to payment of dividends of NOK 13.2 billion, Telenor's share of other comprehensive income of associated companies of NOK 4.1 billion, share buy-back of NOK 1.0 billion and pension re-measurement of NOK 0.9 billion. This was partially offset by income from operations of NOK 11.4 billion and translation differences of NOK 0.7 billion.

Transactions With Related Parties

For detailed information on related party transactions refer to Note 32 in Telenor's Annual Report 2013.

In addition to transactions described in the Annual Report, the following new significant related party transactions occurred in 2014:

- At the Annual General Meeting on 14 May 2014, redemption of shares owned by the Kingdom of Norway through the Ministry of Trade, Industry and Fisheries was approved. Accordingly NOK 1.0 billion was paid for the share buyback in the third quarter of 2014. See Annual Report 2013 note 32 and 35 for more information.

Outlook for 2014

Based on the current Group structure excluding Myanmar and with currency rates as of 30 September 2014 Telenor expects:

- Low single digit organic revenue growth.
- EBITDA margin before other income and expenses above 2013 level.
- Capital expenditure as a proportion of revenues, excluding licences and spectrum, in the range of 14-15%.

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 2013, section Risk Factors and Risk Management, and Telenor's Annual Report 2013 Note 28 Managing Capital and Financial Risk Management and Note 33 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 2013 are:

Legal disputes

See note 7 for details.

Financial aspects

As of 30 September 2014, Telenor ASA had issued guarantees of NOK 2.7 billion related to India, of which NOK 1.6 billion related to interest-bearing liabilities. The remaining NOK 1.1 billion related to guarantees issued primarily to the Indian Department of Telecom.

In relation to the licence issuance in Myanmar, a performance bond of USD 200 million has been issued to Myanmar authorities as a guarantee towards coverage and quality of service commitments during the first five years of the licence.

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, 28 October 2014

The Board of Directors of Telenor ASA

Condensed interim financial information

Consolidated income statement

Telenor Group

	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013
<i>(NOK in millions except earnings per share)</i>					
Revenues	27 685	25 953	81 003	76 416	104 027
Costs of materials and traffic charges	(7 430)	(6 679)	(21 533)	(20 464)	(28 469)
Salaries and personnel costs	(2 594)	(2 425)	(8 325)	(7 880)	(10 755)
Other operating expenses	(7 398)	(7 231)	(21 968)	(21 174)	(28 912)
Other income	4	66	2 967	157	182
Other expenses	(104)	(220)	(678)	(675)	(864)
EBITDA	10 163	9 465	31 467	26 381	35 209
Depreciation and amortisation	(3 872)	(3 337)	(11 326)	(10 166)	(13 731)
Impairment losses	(17)	(122)	(26)	(125)	(151)
Operating profit	6 273	6 005	20 116	16 090	21 327
Share of net income from associated companies and joint ventures	(294)	1 173	(2 628)	2 827	(1 230)
Gain (loss) on disposal of associated companies	4	(1)	(61)	(359)	(359)
Net financial income (expenses)	(577)	(827)	(932)	(1 354)	(1 914)
Profit before taxes	5 406	6 351	16 494	17 204	17 825
Income taxes	(1 846)	(1 677)	(5 141)	(4 497)	(5 701)
Net income	3 559	4 675	11 353	12 706	12 123
Net income attributable to:					
Non-controlling interests	973	758	2 772	1 939	3 375
Equity holders of Telenor ASA	2 586	3 917	8 581	10 767	8 748
Earnings per share in NOK					
Basic	1.72	2.59	5.70	7.05	5.74
Diluted	1.72	2.58	5.69	7.04	5.74

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

Consolidated statement of comprehensive income

Telenor Group

(NOK in millions)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013
Net income	3 559	4 675	11 353	12 706	12 123
Translation differences on net investment in foreign operations	703	1 062	660	6 675	7 688
Income taxes	20	33	18	70	125
Amount reclassified from equity to profit and loss on disposal	1	-	(81)	55	55
Net gain (loss) on hedge of net investment	25	(825)	119	(3 076)	(4 030)
Income taxes	(7)	231	(32)	863	1 130
Amount reclassified from equity to profit and loss on disposal	-	-	-	(7)	(7)
Net gain (loss) on available-for-sale-investment	16	(7)	38	22	18
Amount reclassified from equity to profit and loss on disposal	-	-	(17)	-	-
Share of other comprehensive income (loss) of associated companies	(2 803)	85	(4 088)	107	192
Amount reclassified from equity to profit and loss on disposal	24	-	24	240	240
Items that may be reclassified subsequently to income statement	(2 020)	580	(3 360)	4 949	5 410
Remeasurement of defined benefit pension plans	(625)	-	(1 225)	(536)	(1 246)
Income taxes	161	-	322	148	337
Items that will not be reclassified to income statement	(464)	-	(903)	(388)	(908)
Other comprehensive income (loss), net of taxes	(2 484)	580	(4 262)	4 562	4 502
Total comprehensive income	1 075	5 255	7 090	17 268	16 626
Total comprehensive income (loss) attributable to:					
Non-controlling interests	1 145	742	3 026	2 201	3 566
Equity holders of Telenor ASA	(70)	4 513	4 064	15 067	13 059

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

Consolidated statement of financial position

Telenor Group

(NOK in millions)	30 September	31 December	30 September
	2014	2013	2013
Deferred tax assets	2 324	3 585	4 149
Goodwill	20 707	21 442	21 241
Intangible assets	35 957	32 271	32 558
Property, plant and equipment	52 904	49 547	47 839
Associated companies and joint ventures	30 101	34 600	38 371
Other non-current assets	4 948	4 696	4 346
Total non-current assets	146 942	146 141	148 504
Prepaid taxes	131	531	352
Inventories	1 178	1 587	1 073
Trade and other receivables	18 946	19 701	18 666
Other current financial assets	788	1 027	924
Assets classified as held for sale	3	6	-
Cash and cash equivalents	13 237	11 978	13 630
Total current assets	34 283	34 830	34 644
Total assets	181 224	180 971	183 148
Equity attributable to equity holders of Telenor ASA	65 754	73 365	74 832
Non-controlling interests	4 119	3 672	3 410
Total equity	69 872	77 037	78 243
Non-current interest-bearing liabilities	52 858	51 001	48 436
Non-current non-interest-bearing liabilities	1 030	834	1 234
Deferred tax liabilities	2 046	2 127	1 665
Pension obligations	3 873	2 736	2 157
Provisions and obligations	2 726	2 874	3 270
Total non-current liabilities	62 533	59 572	56 762
Current interest-bearing liabilities	9 366	7 291	9 522
Trade and other payables	33 255	31 706	32 677
Current tax payables	3 125	2 566	3 647
Current non-interest-bearing liabilities	1 708	1 485	1 050
Provisions and obligations	1 365	1 315	1 248
Total current liabilities	48 819	44 362	48 144
Total equity and liabilities	181 224	180 971	183 148
Equity ratio including non-controlling interests (%)	38.6	42.6	42.7
Net interest-bearing liabilities	40 378	39 395	37 752

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

Consolidated statement of cash flows

Telenor Group

(NOK in millions)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013
Profit before taxes from total operations	5 406	6 351	16 494	17 204	17 825
Income taxes paid	(931)	(372)	(2 830)	(4 162)	(4 831)
Net (gains) losses from disposals, impairments and change in fair value of financial assets and liabilities	22	(188)	(2 966)	(529)	(469)
Depreciation, amortisation and impairment losses	3 889	3 460	11 351	10 291	13 882
Loss (profit) from associated companies and joint ventures	291	(1 173)	2 689	(2 467)	1 589
Dividends received from associated companies	8	62	73	6 595	8 194
Currency (gains) losses not related to operating activities	95	328	(67)	510	498
Changes in other operating working capital assets and liabilities	1 914	1 444	3 072	2 412	301
Net cash flow from operating activities	10 693	9 912	27 816	29 853	36 990
Purchases of property, plant and equipment (PPE) and intangible assets	(4 723)	(4 287)	(14 876)	(9 997)	(15 612)
Purchases of subsidiaries, associated companies and joint ventures, net of cash acquired	(139)	(4 540)	(1 186)	(4 610)	(5 973)
Proceeds from PPE, intangible assets and businesses, net of cash disposed	7	77	1 166	206	267
Proceeds from and purchases of other investments	(48)	260	(50)	693	703
Net cash flow from investing activities	(4 903)	(8 491)	(14 947)	(13 708)	(20 614)
Proceeds from and repayments of borrowings	(1 857)	146	2 424	3 371	2 192
Proceeds from issuance of shares, incl. from non-controlling interests	(0)	0	25	6	6
Share buyback by Telenor ASA	(1 048)	(3 349)	(1 048)	(3 886)	(3 998)
Repayment of equity and dividends paid to non-controlling interests	(1 202)	(962)	(2 621)	(2 089)	(2 729)
Dividends paid to equity holders of Telenor ASA	(470)	(395)	(10 567)	(9 239)	(9 239)
Net cash flow from financing activities	(4 576)	(4 560)	(11 787)	(11 837)	(13 768)
Effects of exchange rate changes on cash and cash equivalents	126	(176)	142	517	567
Net change in cash and cash equivalents	1 340	(3 315)	1 223	4 824	3 175
Cash and cash equivalents at the beginning of the period	11 862	16 944	11 978	8 805	8 805
Cash and cash equivalents at the end of the period ¹⁾	13 202	13 630	13 202	13 630	11 978

¹⁾ The first three quarters of 2014 includes restricted cash of NOK 379 million, while the first three quarters of 2013 included restricted cash of NOK 339 billion.

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 1 January 2013	9 334	(2 155)	75 956	(9 779)	73 355	3 057	76 412
Net income for the period	-	-	8 748	-	8 748	3 375	12 123
Other comprehensive income for the period	-	(459)	-	4 770	4 311	191	4 502
Total comprehensive income for the period	-	(459)	8 748	4 770	13 059	3 566	16 625
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)
Share - based payment, exercise of share options and distribution of shares	2	(10)	-	-	(8)	-	(8)
Equity as of 31 December 2013	9 127	(6 217)	75 464	(5 009)	73 366	3 672	77 037
Net income for the period	-	-	8 581	-	8 581	2 772	11 353
Other comprehensive income for the period	-	(4 946)	-	429	(4 517)	254	(4 262)
Total comprehensive income for the period	-	(4 946)	8 581	429	4 064	3 026	7 090
Transactions with non-controlling interests	-	(2)	-	-	(2)	47	44
Equity adjustments in associated companies	-	66	-	-	66	-	66
Dividends	-	-	(10 567)	-	(10 567)	(2 626)	(13 193)
Share buyback	(49)	(999)	-	-	(1 048)	-	(1 048)
Share - based payment, exercise of share options and distribution of shares	-	(125)	-	-	(125)	-	(125)
Equity as of 30 September 2014	9 078	(12 222)	73 478	(4 580)	65 754	4 118	69 873

(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 1 January 2013	9 334	(2 155)	75 956	(9 779)	73 355	3 057	76 412
Net income for the period	-	-	10 767	-	10 767	1 939	12 706
Other comprehensive income for the period	-	(19)	-	4 319	4 300	261	4 562
Total comprehensive income for the period	-	(19)	10 767	4 319	15 067	2 201	17 268
Transactions with non-controlling interests	-	(259)	-	-	(259)	266	7
Equity adjustments in associated companies	-	(26)	-	-	(26)	-	(26)
Dividends	-	-	(9 239)	-	(9 239)	(2 114)	(11 353)
Share buyback	(209)	(3 789)	-	-	(3 998)	-	(3 998)
Share - based payment, exercise of share options and distribution of shares	2	(69)	-	-	(67)	-	(67)
Equity as of 30 September 2013	9 127	(6 318)	77 483	(5 460)	74 833	3 410	78 243

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 arrangements. As a result of rounding differences, numbers or percentages may not add up to the total.

These interim condensed consolidated financial statements for the nine months of 2014 ending 30 September 2014, 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 2013. 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 2013.

For information about the standards and interpretations effective from 1 January 2014, please refer to Note 1 in the Group's Annual report 2013. The standards and interpretations effective from 1 January 2014 do not have a significant impact on the Group's consolidated interim financial statements.

Note 2 – Business combinations

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 747 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 fair value of the identifiable assets and liabilities of the acquired business as at the date of acquisition were:

(NOK in millions)	Fair values as of acquisition date
Customer Base	279
Property, Plant & Equipment	493
Other assets	9
Total assets	781
Deferred tax liability	97
Current Liabilities	37
Total liabilities	134
Net identifiable assets	648
Goodwill	99
Total consideration for the shares, satisfied by cash	747

The goodwill of NOK 99 million comprises the value of expected synergies arising from the acquisition. None of the goodwill is expected to be deductible for income tax purposes.

For the period between the date of acquisition and 30 September 2014, the acquired cable and fibre business contributed NOK 415 million to revenues and NOK 117 million negative to the Telenor Group's profit before taxes.

Note 3 – Associated companies

VimpelCom Ltd.

On 18 April 2014, VimpelCom Ltd. announced the signing of a share purchase agreement for the sale by Global Telecom Holding S.A.E. ("GTH") of a 51% interest in Orascom Telecom Algérie SpA ("OTA" or "Djezzy") to the Fonds National d'Investissement (the "FNI"), the Algerian National Investment Fund, for a consideration of USD 2.643 billion. VimpelCom Ltd. further

announced that, in accordance with the shareholders agreement to be entered into between GTH and FNI, effective as of closing of the transaction, GTH will continue to exercise control over OTA and, as a result, both GTH and VimpelCom Ltd. will continue to fully consolidate OTA.

In addition, VimpelCom Ltd. announced that the foreign exchange and import restrictions put in place by the Bank of Algeria against OTA on 15 April 2010 will be lifted on Closing of the transaction, following the payment by OTA to the Algerian Treasury of a fine of approximately USD 1.3 billion. Further, OTA will discontinue all pending proceedings relating to the disputes with the Algerian tax administration relating to tax reassessments for the years 2004 to 2009. As a result, VimpelCom Ltd. wrote off its tax receivable of USD 0.6 billion, and provided for additional tax liability of USD 0.3 billion for withholding tax on dividend to be paid from OTA before closing of the transaction. VimpelCom Ltd. recognised one-off cumulative charge for the settlement costs of USD 2.2 billion in its 2013 financial statements.

GTH is owned 51.9% by VimpelCom Ltd. and VimpelCom Ltd. effectively holds 50.3% of OTA.

Out of the total settlement costs of USD 2.2 billion, USD 1.1 billion is attributable to the shareholders of VimpelCom Ltd. Telenor, holding 33.05% economic interest in VimpelCom Ltd., recognised NOK 2.2 billion for its share of USD 1.1 billion in the income statement during the first half of 2014. The accounting effect for the dilution of interests in OTA will take place upon closure of the transaction, which is expected towards the end of 2014.

Telenor has recognised loss of NOK 4.0 billion in Other Comprehensive Income related to its share of VimpelCom Ltd.'s translation differences arising from depreciation of local currencies against USD.

In accordance with Telenor's accounting policies, the share of VimpelCom Ltd.'s Net Income and Other Comprehensive Income is recognized with a one quarter lag. Hence, the effects of further depreciation of Russian Rouble against USD during the third quarter have not been reflected in this report. The weakening of Russian Rouble is expected to have a negative impact on the carrying amount of VimpelCom Ltd. in Telenor's financial statements during the fourth quarter.

Note 4 – Other income

Licence refund in India

On 31 March 2014, Indian authorities confirmed that Telenor's Indian subsidiary Telewings was granted an offset of the entry fee of INR 16.6 billion (NOK 1.7 billion) paid by Unitech Wireless in 2008 against the remaining instalments, scheduled in the period of 2015-2024, on the payable bid amount on the spectrum acquired by Telewings in 2012. The licence offset was recognized as Other income in the income statement in the first quarter of 2014.

Disposal of Conax AS

On 25 March 2014, the Group signed an agreement to sell the wholly owned subsidiary Conax AS for NOK 1.4 billion in cash, resulting in a gain of NOK 1.2 billion. The Group lost control over Conax AS as of the signing date and hence Conax AS was deconsolidated as of 25 March 2014. The consideration was received on 4 April 2014. The business of Conax AS was included in the Broadcast segment.

Cash effect on the sale:

(NOK in millions)	
Consideration received 4 April 2014	1 428
Net cash disposed of *)	(187)
Net cash inflow	1 241

*) On 4 April 2014 Telenor received in addition to the consideration of NOK 1 428 million a group contribution of NOK 184 million from Conax AS.

Note 5 – interest-bearing liabilities

Telenor ASA issued two bonds under the EMTN programme on 12 March 2014: one SEK 2.3 billion bond with fixed coupon rate of 2.375% and one SEK 1.1 billion bond with floating coupon rate of 3M Stibor + 0.63%, both with final maturity 19 March 2019.

On 4 April 2014, Telenor ASA issued a commercial paper of NOK 2.0 billion with fixed coupon rate of 1.78% and maturity 6 October 2014.

On 11 April 2014, Telenor refinanced the EUR 2.0 billion revolving credit facility ("RCF") with a new EUR 2.0 billion RCF. The tenor of the new facility is 5+1+1, whereby Telenor have the option to extend the maturity by another 5 years after 12 and 24 months, respectively.

On 6 August 2014 Telenor ASA issued a bond of USD 100 million under the EMTN program with floating rate and maturity 14 August 2019.

Fair value of interest-bearing liabilities recognised at amortised cost

(NOK in millions)	As of 30 September 2014		As of 31 December 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Interest-bearing financial liabilities	(62 223)	(66 166)	(58 292)	(59 920)

Note 6 – Fair values of financial instruments

Financial derivatives recognised at fair value are categorised within level 2 in the fair value hierarchy. See note 29 in the Annual Report 2013 for valuation methodologies.

(NOK in millions)	As of 30 September 2014	As of 31 December 2013
Other non-current assets	2 381	2 099
Other financial current assets	18	291
Non-current non-interest-bearing financial liabilities	(669)	(481)
Non-current interest-bearing financial liabilities	(26)	(277)
Current non-interest-bearing liabilities	(554)	(404)
Total	1 150	1 228

Note 7 – Legal disputes

The issues described below are updates compared to information included in the Annual Report 2013 note 33 and have to be read in conjunction with this. No provisions have been made for the legal disputes described in this note.

Grameenphone

SIM tax on replacement SIM cards

On 16 May 2012, National Board of Revenue issued a notice to Grameenphone claiming SIM tax and interest of NOK 1.3 billion on replacement SIM cards issued during the period from July 2007 to December 2011. Grameenphone challenged the demand by a writ petition before the High Court which passed a Stay Order on the operation of the demand valid until 13 September 2013. In mid-2013, a special commission, appointed by the Government, was set up to review this case, in respect of all operators. In mid April 2014 the Commission presented their report stating principally same amounts as the initial NBR conclusions. Grameenphone disagrees with this report and is taking necessary steps to challenge it.

Large Taxpayer Unit (LTU) – VAT claim

On 14 May 2014, Large Taxpayer Unit (LTU)-VAT in Bangladesh issued a 'pay or explain' demand of approximately NOK 1.3 billion, against Grameenphone. This demand was based on an assessment by Local and Revenue Audit Department of Comptroller and Auditor General (C&AG) office, for the fiscal year 2010-11 and 2011-12. Grameenphone disagrees with the findings of the assessment referred to by LTU because of lack of jurisdiction and improper procedures followed. Further Grameenphone believes that relevant facts and legal provisions are being misconstrued in reaching the conclusion. Grameenphone has taken this issue to court, and the High Court issued a stay order on execution of the demand valid until 28 December 2014.

dtac

Disputes between dtac and CAT

CAT Telecom Public Company Limited (CAT) and dtac have a number of disputes and disagreements over understanding and scope of the concession agreements. This also includes how the new 3G regime is to be understood in relation to the concession agreements. CAT has threatened to terminate the concession agreements, due to alleged breaches by dtac of these agreements and continues to present claims of compensation against dtac. CAT served dtac notices to claim compensation from dtac due to porting of its subscribers to its subsidiary dtac TriNet during September 2013 – September 2014 in the amount of approximately NOK 1.4 billion. CAT has also filed injunction petitions with the Administrative court against dtac, dtac TriNet and NBTC, aiming at restricting dtac TriNet from using dtac's network. The court has so far rejected injunction petition against dtac TriNet, while injunction petition against dtac is pending. Dtac is of the opinion that the company is operating in accordance with applicable laws and regulations and refutes any allegations from CAT that dtac is operating in violation of concession agreements.

Dispute between TOT, CAT and dtac regarding Access Charge/ Interconnection

On 17 May 2006, the National Telecommunications Commission (NTC) (presently known as the National Broadcasting and Telecommunications Commission (NBTC)) issued the Notification on Use and Interconnection of Telecommunications Network of 2006 (Notification) applicable to telecommunication licencees who have its own telecommunication network, requiring the licencees to interconnect with each other on request, where the interconnection provider is entitled to apply an interconnection charge that reflects its costs.

On 17 November 2006, dtac issued a written notification informing TOT Public Company Limited (TOT) and CAT Telecom Public Company Limited (CAT) that dtac would no longer apply the rates for calculating the access charge under the Access Charge Agreements entered into with TOT on the basis that the rate and the collection of access charge under the Access Charge Agreements were contrary to the law in a number of respects. Dtac also informed TOT and CAT that it would pay the interconnection charge to TOT when dtac and TOT have entered into an interconnection charge agreement in accordance with the Notification. TOT has refused to enter into such agreement. The matter has been through various administrative and court proceedings, which has concluded that TOT is obligated to commence negotiations with dtac. TOT still rejects entering into an interconnection agreement and has appealed the matter to Supreme Administrative Court. The matter is now under consideration of the Court.

On 9 May 2011, TOT filed a plaint with the Central Administrative Court requiring the court to order dtac and CAT to jointly pay access charge to TOT for the period from November 2006 to May 2011.

On 10 October 2014, dtac was informed that TOT increased its claim for the period May 2011-July 2014 by NOK 27 billion so that the total claim amounts to approximately NOK 49.6 billion, plus default interests. Presently, this case is under consideration of the Central Administrative Court. The net effect (before income taxes) in ceasing to recognise the access charge under the Access Charge Agreements from 18 November 2006 to 30 September 2014 amounts to approximately NOK 13 billion in reduced expenses.

Disputes between dtac and CAT regarding revenue sharing payment under Concession Agreement

On 31 August 2011, CAT filed a lawsuit with the Arbitration Institute requesting dtac to pay additional revenue sharing on interconnection charge for the concession year 16 (16 September 2006 to 15 September 2007) in the amount of NOK 0.8 billion plus penalty interest at the rate of 15% p.a. from 16 December 2007 based on the ground that dtac has no right to deduct any interconnect expenses from its revenue and has no right to exclude interconnect revenue from its revenue to be calculated for the revenue sharing (payment of concession fee) to CAT under the Concession Agreement.

On 14 August 2014, the arbitrators gave an award in the matter, in which they dismissed certain parts of the claim from CAT. The award may be appealed.

Note 8 – Transactions with related parties

At the Annual General Meeting on 14 May 2014, redemption of shares owned by the Kingdom of Norway through the Ministry of Trade, Industry and Fisheries was approved. Accordingly NOK 1.0 billion was paid for the share buyback in the third quarter of 2014. See Annual Report 2013 note 35 for more information.

On 14 July 2014, Telenor ASA cancelled 6,981,748 own shares and redeemed and subsequently cancelled 8,184,493 shares held by the Kingdom of Norway through the Ministry of Trade, Industry and Fisheries. Telenor no longer holds treasury shares following these transactions. The share capital subsequent to the capital reduction is NOK 9,008,748,180 divided into 1,501,458,030 shares.

Note 9 – Events after the reporting period

On 20 October 2014, the Board of Directors of DiGi declared the third interim dividend for 2014 of MYR 0.062 per share which corresponds to approximately NOK 0.9 billion total dividend and approximately NOK 0.5 billion for Telenor ownership share.

On 22 October 2014, the Board of Directors of Total Access Communication Public Company Limited (dtac) declared interim dividend for 2014 of THB 1.57 per share which corresponds to approximately NOK 0.7 billion total dividend and approximately NOK 0.5 billion for Telenor ownership share.

Note 10 – Segment table and reconciliation of EBITDA before other income and other expenses

Telenor Serbia and Telenor Montenegro are reported as one operating segment "Telenor Montenegro and Serbia" from 1 January 2014. Telenor Myanmar, reported under "Other units" in the fourth quarter of 2013, is reported as one reporting segment from 1 January 2014. The figures for previous periods are reclassified accordingly.

The operations**Third quarter**

(NOK in millions)	Total revenues			of which internal		EBITDA before other income and other expenses ^{*)}			
	2014	2013	Growth	2014	2013	2014	Margin	2013	Margin
Norway	6 675	6 274	6.4%	90	85	3 067	45.9%	2 881	45.9%
Sweden	2 891	2 766	4.5%	17	41	964	33.3%	931	33.7%
Denmark	1 243	1 246	(0.2%)	21	22	229	18.5%	302	24.2%
Hungary	1 047	1 020	2.6%	7	4	346	33.0%	351	34.4%
Globul - Bulgaria	707	454	nm	2	-	291	41.1%	165	nm
Montenegro & Serbia	918	930	(1.2%)	39	33	377	41.1%	395	42.5%
dtac - Thailand	4 081	4 069	0.3%	6	7	1 523	37.3%	1 362	33.5%
DiGi - Malaysia	3 442	3 142	9.5%	-	1	1 558	45.2%	1 417	45.1%
Grameenphone - Bangladesh	2 075	1 939	7.0%	-	2	1 127	54.3%	1 028	53.0%
Pakistan	1 526	1 346	13.3%	156	1	563	36.9%	511	37.9%
India	1 074	729	47.3%	1	5	(136)	nm	(140)	nm
Myanmar	3	-	-	-	-	(108)	nm	-	nm
Broadcast	1 537	1 680	(8.5%)	37	42	512	33.4%	570	34.0%
Other units	1 530	1 185	29.2%	689	585	(50)	nm	(149)	nm
Eliminations	(1 064)	(828)	-	(1 064)	(828)	-	-	(5)	-
Group	27 685	25 953	6.7%	-	-	10 263	37.1%	9 619	37.1%

First three quarters

(NOK in millions)	Total revenues			of which internal		EBITDA before other income and other expenses ^{*)}			
	2014	2013	Growth	2014	2013	2014	Margin	2013	Margin
Norway	19 455	18 593	4.6%	252	260	8 508	43.7%	8 213	44.2%
Sweden	8 614	7 977	8.0%	79	115	2 703	31.4%	2 441	30.6%
Denmark	3 616	3 668	(1.4%)	52	57	550	15.2%	777	21.2%
Hungary	3 089	2 930	5.4%	19	11	1 096	35.5%	1 085	37.0%
Globul - Bulgaria	1 989	454	nm	5	-	788	39.6%	165	nm
Montenegro & Serbia	2 566	2 523	1.7%	91	99	1 006	39.2%	1 043	41.4%
dtac - Thailand	12 297	13 380	(8.1%)	24	41	4 517	36.7%	4 241	31.7%
DiGi - Malaysia	9 846	9 283	6.1%	3	3	4 447	45.2%	4 139	44.6%
Grameenphone - Bangladesh	6 061	5 399	12.2%	2	7	3 273	54.0%	2 740	50.7%
Pakistan	4 476	4 065	10.1%	298	2	1 759	39.3%	1 582	38.9%
India	3 013	2 165	39.2%	3	5	(325)	nm	(478)	nm
Myanmar	3	-	-	-	-	(259)	nm	-	nm
Broadcast	4 759	4 957	(4.0%)	114	129	1 493	31.4%	1 586	32.0%
Other units	4 206	3 514	19.7%	2 046	1 765	(361)	nm	(618)	nm
Eliminations	(2 986)	(2 494)	-	(2 986)	(2 494)	(18)	-	(18)	-
Group	81 003	76 416	6.0%	-	-	29 178	36.0%	26 899	35.2%

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

Reconciliation

(NOK in millions)	3rd quarter		First three quarters		Year
	2014	2013	2014	2013	2013
Net income	3 559	4 675	11 353	12 706	12 123
Income taxes	(1 846)	(1 677)	(5 141)	(4 497)	(5 701)
Profit before taxes	5 406	6 351	16 494	17 204	17 825
Net financial income (expenses)	(577)	(827)	(932)	(1 354)	(1 914)
Profit (loss) from associated companies and joint ventures	(291)	1 173	(2 689)	2 467	(1 589)
Depreciation and amortisation	(3 872)	(3 337)	(11 326)	(10 166)	(13 731)
Impairment losses	(17)	(122)	(26)	(125)	(151)
EBITDA	10 163	9 465	31 467	26 381	35 209
Other income	4	66	2 967	157	182
Other expenses	(104)	(220)	(678)	(675)	(864)
EBITDA before other income and other expenses	10 263	9 619	29 178	26 899	35 892

EBITDA				Operating profit (loss)			
2014	Margin	2013	Margin	2014	Margin	2013	Margin
3 058	45.8%	2 797	44.6%	2 194	32.9%	2 020	32.2%
969	33.5%	925	33.4%	582	20.1%	573	20.7%
200	16.1%	290	23.2%	23	1.9%	108	8.6%
341	32.5%	342	33.5%	225	21.5%	246	24.1%
292	41.3%	155	nm	(73)	nm	53	nm
376	40.9%	395	42.5%	286	31.1%	310	33.3%
1 524	37.3%	1 361	33.4%	781	19.1%	785	19.3%
1 558	45.3%	1 419	45.2%	1 303	37.9%	1 008	32.1%
1 129	54.4%	1 083	55.8%	778	37.5%	789	40.7%
562	36.9%	515	38.2%	360	23.6%	282	21.0%
(125)	nm	(141)	nm	(195)	nm	(143)	nm
(108)	nm	-	nm	(112)	nm	-	nm
466	30.3%	560	33.4%	333	21.7%	420	25.0%
(78)	nm	(231)	nm	(214)	nm	(469)	nm
-	-	(4)	-	1	-	23	-
10 163	36.7%	9 465	36.5%	6 273	22.7%	6 005	23.1%

EBITDA				Operating profit (loss)			
2014	Margin	2013	Margin	2014	Margin	2013	Margin
8 162	42.0%	8 022	43.1%	5 623	28.9%	5 737	30.9%
2 711	31.5%	2 404	30.1%	1 559	18.1%	1 389	17.4%
489	13.5%	678	18.5%	(86)	nm	140	3.8%
1 067	34.5%	1 053	35.9%	722	23.4%	775	26.4%
786	39.5%	155	nm	(444)	nm	53	nm
1 003	39.1%	1 043	41.4%	727	28.3%	798	31.6%
4 532	36.9%	4 168	31.1%	2 526	20.5%	2 552	19.1%
4 457	45.3%	4 143	44.6%	3 766	38.2%	2 731	29.4%
3 280	54.1%	2 793	51.7%	2 284	37.7%	1 953	36.2%
1 745	39.0%	1 589	39.1%	1 176	26.3%	499	12.3%
1 358	45.1%	(439)	nm	1 167	38.7%	(444)	nm
(259)	nm	-	nm	(269)	nm	-	nm
2 649	55.7%	1 568	31.6%	2 246	47.2%	1 136	22.9%
(512)	nm	(788)	nm	(884)	nm	(1 266)	nm
(1)	-	(8)	-	3	-	38	-
31 467	38.8%	26 381	34.5%	20 116	24.8%	16 090	21.1%

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.

Active mobile internet users

Active mobile internet users are subscriptions with at least 150 KB of data during the last three months.

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.

Third quarter 2014

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

