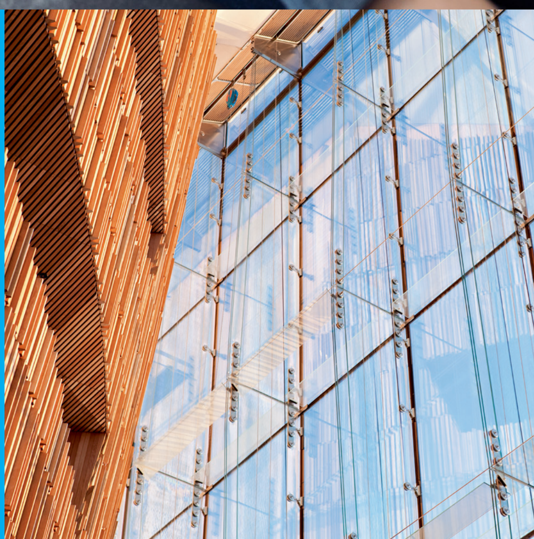
Q2 – 2018

Interim report
January – June 2018



Contents

Half way into 2018, Telenor continues to attract customers and deliver solid performance. In the second quarter we saw robust operations in Scandinavia, particularly in the mobile market in Norway. In Malaysia, we achieved revenue growth for a second consecutive quarter as a result of our determined repositioning efforts. In Pakistan and Bangladesh, we grew the subscriber base and strengthened our positions in rapidly developing markets. We added two million mobile subscriptions in the quarter, and now connect 172 million customers.

Our operation in Thailand continues to deliver robust results, while transforming the business and building a solid platform for the future.

Across our operations, we continue to execute on simplification and increasing efficiency, while maintaining market positions. These efforts are still generating good results, with savings now of a more structural nature. Year to date, opex has been reduced by close to NOK 1 billion.

Going forward, we will build on the good momentum and continue to create value by focusing on growth, efficiency and simplification.

– Sigve Brekke, President and CEO

Key figures Telenor Group

(NOK in millions)	Second quarter 2018	Second quarter 2017	First half year 2018	First half year 2017	Year 2017	First half year 2018 IFRS15
Revenues	27 485	28 332	54 597	55 928	112 069	54 653
Organic revenue growth (%)	(1.0)	2.1	(1.2)	1.1	0.5	
Subscription and traffic revenues	21 445	21 966	42 602	43 143	86 314	42 353
Organic subscription and traffic revenue growth (%)	0.4	3.0	0.7	2.1	2.4	
EBITDA before other income and other expenses	11 300	11 605	22 608	22 110	44 694	22 677
EBITDA before other income and other expenses/Revenues (%)	41.1	41.0	41.4	39.5	39.9	41.5
Net income attributable to equity holders of Telenor ASA	2 628	(167)	7 642	4 001	11 983	7 637
Capex excl. licences and spectrum/Revenues (%)	12.4	14.6	11.9	15.2	15.4	11.9
Capex/Revenues (%)	13.3	19.0	15.3	17.5	18.1	15.3
Free cash flow	3 012	9 947	5 587	12 113	24 867	5 587
Mobile subscriptions - Change in quarter/Total (mill.)	2.1	2.0	172	164	170	172

Discontinued operations: Telenor India, Hungary, Montenegro & Serbia and Bulgaria, Telenor Common Operation, Telenor Microfinance Bank and Telenor Banka. See note 3 for further information.

Second quarter 2018 summary

- On an organic basis, subscription and traffic revenues grew 0.4%, while total revenues decreased by 1%. Total reported revenues were NOK 27.5 billion, which is a reduction of 3%.
- Reported opex decreased by NOK 0.5 billion. On a constant currency basis, the reduction was NOK 0.2 billion or 2% and NOK 0.4 billion when also adjusting for one-time items last year.
- EBITDA before other items was NOK 11.3 billion, corresponding to an EBITDA margin of 41.1%, which was stable compared to last year. Organic EBITDA growth was 0.5%.
- Net income attributable to equity holders of Telenor ASA was NOK 2.6 billion, or NOK 1.78 earnings per share.
- Capex excluding licences and spectrum was NOK 3.4 billion, resulting in a capex to sales ratio of 12%.
- Free cash flow for the quarter was NOK 3.0 billion.

Shareholder remuneration

In June, Telenor initiated a share buyback programme for up to 29 million shares, equivalent to about 2% of the registered shares. The programme will return approximately NOK 5 billion to shareholders.

Outlook

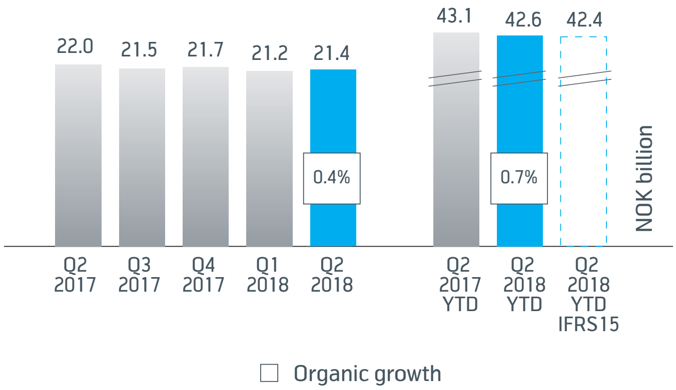
For 2018, we maintain our expectations of an organic subscription and traffic revenue growth of 1-2%, and an organic EBITDA growth of 2-3% with capex excluding licences and spectrum of NOK 17-18 billion.

Group performance in the second quarter 2018[1)]

SUBSCRIPTION AND TRAFFIC REVENUES

On an organic basis subscription and traffic revenues increased by 0.4%. Reported subscription and traffic revenues declined by 2% from last year, negatively impacted by currency development. We saw improved growth in Bangladesh, Malaysia and Pakistan, offset by a decline in Thailand. Total reported revenues decreased by NOK 0.8 billion or 3%, with an organic decrease of NOK 0.3 billion or 1%.

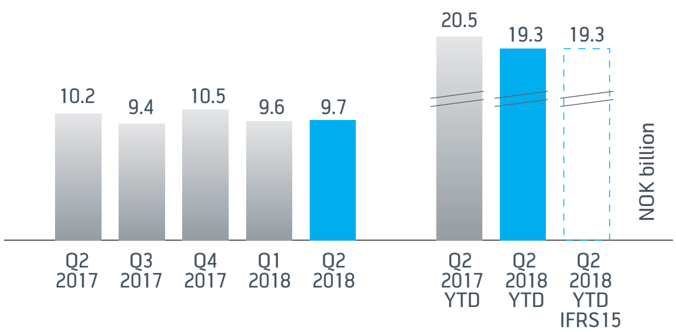
Year to date, organic subscription and traffic revenues grew by 0.7%. Reported revenues decreased by 1% as currency effects impacted revenues negatively by NOK 0.8 billion.



OPERATING EXPENDITURES (OPEX)

Reported opex decreased by NOK 0.5 billion. Currency adjusted opex decreased by NOK 0.2 billion or 2% as efficiency initiatives continue to yield positive results especially in Thailand and Scandinavia. Adjusting for one-time items, underlying opex reductions were NOK 0.4 billion.

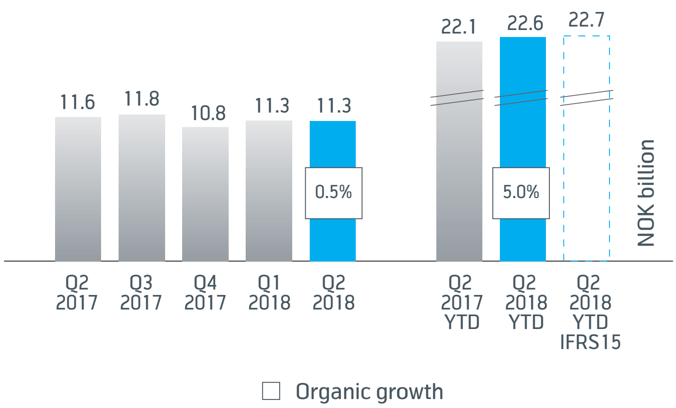
Year to date, reported opex decreased by NOK 1.2 billion to NOK 19.3 billion, of which NOK 0.3 billion was related to currency development. The opex reductions were to a large extent attributable to Thailand and Scandinavia.



EBITDA BEFORE OTHER INCOME AND OTHER EXPENSES (EBITDA)

EBITDA was NOK 11.3 billion, an improvement of 0.5% on an organic basis. The increase was driven by continued opex reductions and growth in mobile subscription and traffic revenues. The EBITDA margin remained stable from last year, closing the quarter at 41%.

Year to date, reported EBITDA increased by NOK 0.5 billion to NOK 22.6 billion, negatively impacted by currency effects of NOK 0.6 billion. Organic EBITDA increased by 5%, to which Scandinavia, Thailand and Malaysia were the main contributors.

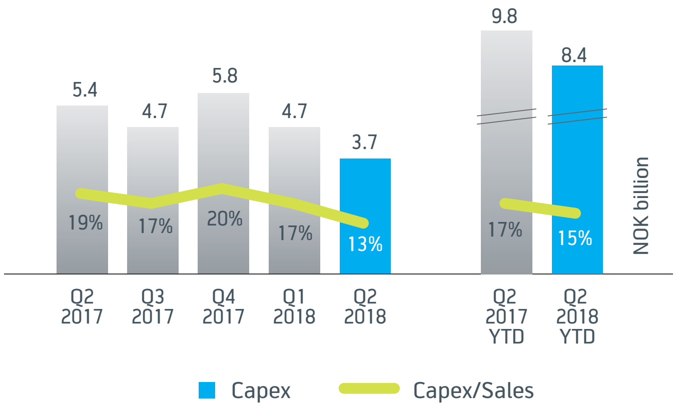


1) The comments are related to Telenor's development in the second quarter of 2018 compared to the second quarter of 2017 unless otherwise stated. Please refer to Definitions on page 26 for descriptions of alternative performance measures.

CAPITAL EXPENDITURES (CAPEX)

Capex was NOK 3.7 billion, of which network expansion in Norway and Thailand were still the largest drivers. Capex for the quarter includes the acquisition of spectrum in Malaysia in the 2100 MHz frequency band of NOK 0.2 billion.

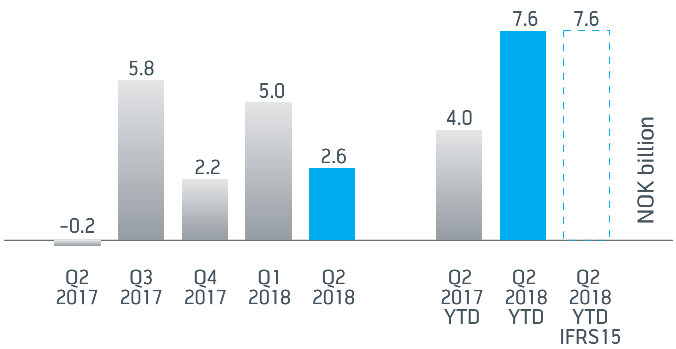
Year to date, capex decreased by NOK 1.4 billion to NOK 8.4 billion. The reduction was primarily explained by deferred investments in Norway, Thailand and Pakistan.



NET INCOME

Reported net income to equity holders of Telenor ASA in the second quarter was NOK 2.6 billion, which is an increase of NOK 2.8 billion. Adjusted for effects last year related to VEON and the disposal of online classifieds assets in Latin America, there is a decrease of NOK 1.3 billion. This was primarily due to net foreign currency loss during the quarter.

Year to date, the net income to equity holders of Telenor ASA was NOK 7.6 billion and an increase of NOK 3.6 billion compared to last year.

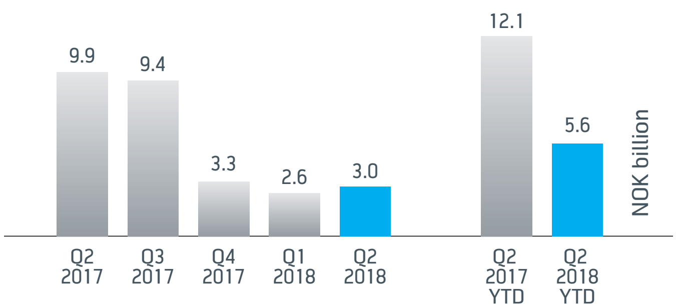


FREE CASH FLOW

Free cash flow in the second quarter was NOK 3.0 billion. This is a decrease of NOK 6.9 billion from last year, mainly due to net proceeds from the online classifieds divestment and disposal of VEON shares of NOK 4.7 billion last year.

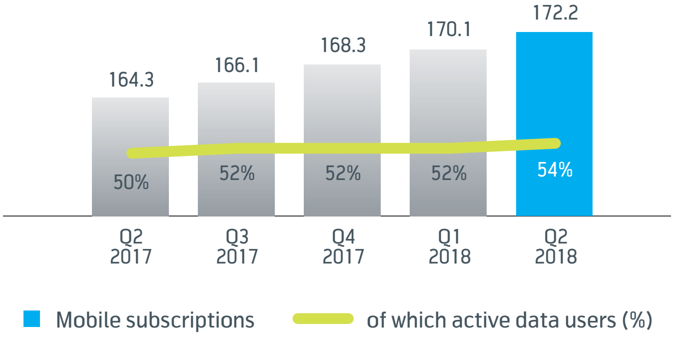
In addition, cash flow from operating activities this quarter was negatively impacted by higher income taxes paid.

Year to date, the free cash flow amounted to NOK 5.6 billion, which is a decrease of NOK 6.5 billion compared to last year.



MOBILE SUBSCRIPTIONS

The number of mobile subscriptions increased by 2 million during the quarter, raising the total subscription base to 172 million. The main contributors to the subscription growth were Bangladesh and Pakistan, adding 1.7 million and 0.6 million respectively. This increase was partly offset by a subscription loss of 0.2 million in Thailand and 0.1 million in Malaysia. The share of active data users in our subscription base increased to 54%.



Interim report

Telenor's operations

The comments below are related to Telenor's development in the second quarter of 2018 compared to the second quarter of 2017 in local currency, unless otherwise stated. The financial figures presented below are based on the accounting principles for the Group's segment reporting. See note 9 for further information. Telenor's operations in Hungary, Montenegro & Serbia and Bulgaria as well as Telenor Common Operation, Telenor Microfinance Bank and Telenor Banka are classified as discontinued operations, see note 3 for further information. Financial figures for several segments have been restated. See note 9 for further information. All comments on EBITDA are made on development in EBITDA before other income and other expenses. Please refer to page 10 for 'Specification of other income and other expenses'. Additional information is available at: www.telenor.com/ir

Norway

(NOK in millions)	Second quarter 2018	Second quarter 2017	First half year 2018	First half year 2017 Restated*	Year 2017 Restated*	First half year 2018 IFRS15
Revenues mobile operation						
Subscription and traffic	2 745	2 776	5 442	5 431	11 029	5 408
Interconnect revenues	135	148	267	277	551	267
Other mobile revenues	215	296	434	571	1 178	434
Non-mobile revenues	757	540	1 353	994	2 313	1 336
Total revenues mobile operation	**3 852**	**3 760**	**7 495**	**7 274**	**15 072**	**7 444**
Revenues fixed operation						
Telephony	309	379	640	788	1 498	640
Internet and TV	1 478	1 427	2 957	2 848	5 850	2 957
Data services	125	125	255	248	504	255
Other fixed revenues	402	425	808	833	1 603	808
Total retail revenues	**2 314**	**2 357**	**4 661**	**4 718**	**9 455**	**4 660**
Wholesale revenues	317	359	647	725	1 437	647
Total revenues fixed operation	**2 631**	**2 716**	**5 307**	**5 443**	**10 892**	**5 307**
Total revenues	**6 483**	**6 476**	**12 803**	**12 717**	**25 965**	**12 751**
Operating expenditures	2 268	2 277	4 483	4 631	9 206	4 408
EBITDA before other items	**2 742**	**2 847**	**5 507**	**5 426**	**11 117**	**5 531**
Operating profit	**1 652**	**1 961**	**3 296**	**3 436**	**6 902**	**3 320**
EBITDA before other items/ Total revenues (%)	42.3	44.0	43.0	42.7	42.8	43.4
Capex	924	1 562	1 644	2 710	4 988	1 644
Investments in businesses	5	6	5	13	215	5
Statistics (monthly in NOK):						
Mobile ARPU	324	323	321	314	320	319
Fixed Telephony ARPU	233	245	236	250	246	236
Fixed Internet ARPU	376	361	375	361	369	345
TV ARPU	316	298	315	299	312	317
No. of subscriptions - Change in quarter/Total (in thousands):						
Mobile	(4)	(19)	2 964	3 007	2 984	2 964
Fixed telephony	(23)	(17)	432	508	472	432
Fixed Internet	(5)	(3)	849	862	859	849
TV	2	2	546	547	546	546

* Refer to note 9.

- In Norway, the new mobile consumer offerings launched in March have been well received, contributing towards an increase in mobile contract subscriptions of 7,000 in the quarter.
- The total number of mobile subscriptions decreased 1% from same period last year from a continued reduction in prepaid subscriptions.
- Mobile ARPU was stable as reduced roaming revenues were offset by growth in subscriptions with larger data allowances. Mobile subscription and traffic revenues decreased by 1%.
- Growth in fixed internet and TV revenues was more than offset by the declining trend for traditional telephony and wholesale products. Fibre connections increased by 6,000 during the quarter, taking the total number of high-speed fixed internet subscriptions to 637,000.
- Opex remained stable as reductions in personnel costs from workforce reductions were offset by increased sales and other expenses.
- EBITDA decreased by 4% mainly due to lower wholesale revenues. The EBITDA margin was reduced by 2 percentage points to 42%.
- Capex continued to be driven by fibre roll-out and 4G network expansions.

Sweden

(NOK in millions)	Second quarter 2018	Second quarter 2017	First half year 2018	First half year 2017	Year 2017	First half year 2018 IFRS15
Revenues mobile operation						
Subscription and traffic	1 461	1 509	2 988	2 991	6 123	2 987
Interconnect revenues	133	139	266	326	596	266
Other mobile revenues	101	87	191	174	379	191
Non-mobile revenues	490	483	1 033	979	2 219	1 036
Total revenues mobile operation	**2 185**	**2 219**	**4 478**	**4 470**	**9 317**	**4 479**
Revenues fixed operation						
Telephony	47	74	105	149	285	105
Internet and TV	666	660	1 325	1 279	2 660	1 326
Data services	41	59	80	99	201	80
Other fixed revenues	52	94	142	115	303	142
Total retail revenues	**806**	**888**	**1 652**	**1 642**	**3 448**	**1 654**
Wholesale revenues	51	32	105	83	172	105
Total revenues fixed operation	**857**	**920**	**1 758**	**1 724**	**3 620**	**1 759**
Total revenues	**3 042**	**3 139**	**6 235**	**6 195**	**12 938**	**6 238**
Operating expenditures	1 020	1 094	2 028	2 161	4 211	2 043
EBITDA before other items	**978**	**1 009**	**2 047**	**1 929**	**4 136**	**2 038**
Operating profit	**630**	**651**	**1 379**	**1 213**	**2 730**	**1 370**
EBITDA before other items/ Total revenues (%)	32.1	32.1	32.8	31.1	32.0	32.7
Capex	301	427	602	733	1 690	602
Investments in businesses	-	112	-	112	113	-
Statistics (monthly in NOK):						
Mobile ARPU	199	207	202	209	210	202
Fixed Telephony ARPU	41	69	47	69	67	47
Fixed Internet ARPU	210	211	214	210	213	214
TV ARPU	147	135	146	133	139	146
No. of subscriptions - Change in quarter/Total (in thousands):						
Mobile	(3)	13	2 678	2 662	2 689	2 678
Fixed telephony	(5)	(6)	158	201	185	158
Fixed Internet	1	6	679	674	679	679
TV	(17)	3	458	467	470	458
Exchange rate (SEK)			0.9460	0.9561	0.9680	0.9460

- In Sweden, the solid financial performance continued into the second quarter, building on the successful rebranding from Bredbandsbolaget to Telenor.
- Mobile subscriptions decreased by 3,000 in the quarter as growth in consumer segment was more than offset by reduction in the business segment. The mobile subscription base increased 1% from same period last year. 8,000 fibre connections were added in the quarter, taking the total number of high-speed fixed internet subscriptions to 594,000, which is an increase of 7% from last year.
- Mobile ARPU was stable compared to same period last year as growth in share of higher data bundles offset reduced roaming revenues. Mobile subscription and traffic revenues increased by 1% from the higher subscription base.
- Fixed revenues decreased by 3% as growth in internet and TV was not fully offsetting lower fibre installation revenues and continued decline within legacy products.
- Opex decreased by 3%, mainly due to reduced use of consultants and lower sales and marketing expenses. EBITDA increased by 1%, while the EBITDA margin was stable at 32%.
- Capex was mainly related to mobile network investments and digitalisation initiatives.

Denmark

(NOK in millions)	Second quarter 2018	Second quarter 2017	First half year 2018	First half year 2017	Year 2017	First half year 2018 IFRS15
Revenues mobile operation						
Subscription and traffic	742	729	1 495	1 424	2 903	1 470
Interconnect revenues	63	66	124	126	256	124
Other mobile revenues	57	60	101	103	199	101
Non-mobile revenues	280	298	526	611	1 251	518
Total revenues mobile operation	**1 143**	**1 152**	**2 246**	**2 264**	**4 610**	**2 212**
Revenues fixed operation						
Telephony	34	37	67	74	144	67
Internet and TV	90	92	181	187	367	181
Data services	6	6	13	12	26	13
Total revenues fixed operation	**130**	**136**	**261**	**274**	**537**	**261**
Total revenues	**1 273**	**1 288**	**2 507**	**2 537**	**5 147**	**2 473**
Operating expenditures	498	539	1 001	1 051	2 136	1 031
EBITDA before other items	**288**	**234**	**536**	**456**	**849**	**496**
Operating profit	**57**	**135**	**78**	**263**	**1 665**	**39**
EBITDA before other items/ Total revenues (%)	22.6	18.1	21.4	18.0	16.5	20.1
Capex	85	304	179	412	651	179
Mobile ARPU - monthly (NOK)	151	145	150	141	144	149
No. of subscriptions - Change in quarter/Total (in thousands):						
Mobile	(34)	11	1 765	1 840	1 827	1 765
Fixed telephony	(4)	(3)	55	68	64	55
Fixed Internet	(3)	(5)	134	143	138	134
Exchange rate (DKK)			1.2881	1.2336	1.2539	1.2881

- In Denmark, we see good progress in transforming towards becoming leaner and more value generating, in a market which continues to be highly competitive.
- Mobile subscriptions decreased by 34,000 in the quarter following churn of a large public account. ARPU improved by 2% following upselling to higher value tariffs.
- Mobile subscription and traffic revenues remained stable as improved performance in the consumer segment offset the effect of loss of low value enterprise customers. Total revenues decreased due to lower handset sales.
- EBITDA improved by 21%, leading to a margin expansion of 4 percentage points to 23%, aided by a leaner operation with fewer employees, reduced losses on receivables as well as lower sales costs.
- Capex was mainly related to IT development and 4G mobile network.

dtac – Thailand

(NOK in millions)	Second quarter 2018	Second quarter 2017	First half year 2018	First half year 2017	Year 2017	First half year 2018 IFRS15
Revenues						
Subscription and traffic	3 985	4 022	7 919	7 862	15 620	7 833
Interconnect revenues	146	214	295	432	841	295
Other mobile revenues	54	48	110	110	184	110
Non-mobile revenues	531	535	1 175	1 165	2 444	1 260
Total revenues	**4 717**	**4 818**	**9 498**	**9 569**	**19 089**	**9 498**
Operating expenditures	1 603	1 707	3 312	3 542	6 969	3 325
EBITDA before other items	**1 903**	**1 972**	**3 976**	**3 629**	**7 413**	**3 963**
Operating profit	**170**	**383**	**568**	**576**	**1 086**	**555**
EBITDA before other items/ Total revenues (%)	40.3	40.9	41.9	37.9	38.8	41.7
Capex	754	1 022	1 369	2 098	4 027	1 369
No. of subscriptions - Change in quarter/Total (in thousands):	(200)	(705)	21 612	23 605	22 652	21 612
ARPU - monthly (NOK)	64	59	62	57	58	62
Exchange rate (THB)			0.2497	0.2441	0.2435	0.2497

- In Thailand, we observed a strong growth in postpaid subscriptions and a shift towards higher price plans contributing to a 6% improvement in ARPU.
- In April, dtac signed an agreement with TOT, enabling dtac to utilize 60% of TOT's 60 MHz bandwidth within the 2300 MHz spectrum through 2025.
- The total number of subscriptions decreased by 0.2 million.
- Total revenues declined by 3%, mainly as a result of reduced subscription base, lower interconnect revenues and reduced sale of handsets. Subscription and traffic revenues decreased by 2%.
- Opex decreased by 7%, mainly coming from reduced regulatory costs and commissions, partly offset by increased network related costs.
- EBITDA decreased by 5%, mainly due to payment to TOT under the 2300 MHz agreement and the reduction in subscription and traffic revenues. Adjusted for the 2300 MHz payments, the EBITDA margin was 44%.
- Capex was prioritised towards densifying both 3G and 4G, including rollout in the 2300 MHz frequency band.

Digi – Malaysia

(NOK in millions)	Second quarter 2018	Second quarter 2017	First half year 2018	First half year 2017	Year 2017	First half year 2018 IFRS15
Revenues						
Subscription and traffic	2 843	2 680	5 662	5 304	10 685	5 558
Interconnect revenues	114	146	230	293	581	230
Other mobile revenues	37	33	72	68	132	72
Non-mobile revenues	223	189	444	372	789	685
Total revenues	**3 217**	**3 049**	**6 408**	**6 037**	**12 188**	**6 545**
Operating expenditures	962	902	1 929	1 830	3 720	1 948
EBITDA before other items	**1 515**	**1 408**	**2 990**	**2 762**	**5 556**	**3 108**
Operating profit	**1 064**	**1 027**	**2 077**	**2 047**	**4 035**	**2 195**
EBITDA before other items/ Total revenues (%)	47.1	46.2	46.7	45.7	45.6	47.5
Capex	536	455	898	823	2 570	898
No. of subscriptions - Change in quarter/Total (in thousands):	(98)	254	11 659	12 030	11 747	11 659
ARPU - monthly (NOK)	84	80	83	78	79	82
Exchange rate (MYR)			2.0122	1.9310	1.9222	2.0122

- In Malaysia, subscription and traffic revenues increased by 3% driven by strong data growth, which more than offset the continuing decline in voice revenues. Total revenues increased by 2%.
- The number of subscriptions decreased by 0.1 million as the increase in postpaid subscriptions did not fully offset the decline in prepaid subscriptions.
- EBITDA increased by 4% as a result of strong postpaid and data development, adjusted for one-time items last year the EBITDA increased by 10%.
- Capex for the quarter was prioritised towards strengthening the 4G network, which now has a population coverage of close to 90%. In April Digi renewed the licence in the 2100 MHz frequency band with a duration of 16 years for a total consideration of NOK 0.2 billion.

Grameenphone – Bangladesh

(NOK in millions)	Second quarter 2018	Second quarter 2017	First half year 2018	First half year 2017	Year 2017	First half year 2018 IFRS15
Revenues						
Subscription and traffic	2 848	3 056	5 552	5 952	11 748	5 552
Interconnect revenues	202	233	401	457	882	401
Other mobile revenues	2	(2)	3	4	14	3
Non-mobile revenues	58	146	105	296	512	105
Total revenues	**3 110**	**3 432**	**6 061**	**6 709**	**13 156**	**6 061**
Operating expenditures	1 059	1 062	2 149	2 137	4 310	2 169
EBITDA before other items	**1 883**	**2 102**	**3 585**	**4 005**	**7 791**	**3 566**
Operating profit	**1 340**	**1 475**	**2 456**	**2 759**	**5 124**	**2 437**
EBITDA before other items/ Total revenues (%)	60.6	61.2	59.1	59.7	59.2	58.8
Capex	436	343	2 412	822	1 483	2 412
Investments in businesses	(8)	-	(8)	-	19	(8)
No. of subscriptions - Change in quarter/Total (in thousands):	1 713	1 713	69 170	61 581	65 329	69 170
ARPU - monthly (NOK)	15	18	15	18	17	15
Exchange rate (BDT)			0.0948	0.1062	0.1022	0.0948

- In Bangladesh, continued subscription and data revenue growth and operational efficiencies delivers a strong EBITDA margin of 61%. Revenue growth was however negatively impacted by nationwide power outages caused by challenging weather conditions in the beginning of the quarter. The number of subscriptions increased by 1.7 million during the quarter, taking the total base to 69.2 million. The subscription base was 12% higher than second quarter last year.
- Subscription and traffic revenues increased by 3% as the growth in subscriptions was partly offset by a 9% decline in ARPU from lower voice revenues. Total revenues were flat, but normalized for the change to net accounting treatment subscription and traffic revenue growth was 5%.
- EBITDA decreased by 1% as gross profit uplift was offset by increased opex. Adjusted for one-time items last year EBITDA increased by 5%.
- Capex was prioritised towards continued network rollout on 4G as well as increased coverage.

Pakistan

(NOK in millions)	Second quarter 2018	Second quarter 2017	First half year 2018	First half year 2017	Year 2017	First half year 2018 IFRS15
Revenues						
Subscription and traffic	1 524	1 730	2 989	3 370	6 644	2 996
Interconnect revenues	304	306	552	601	1 174	552
Other mobile revenues	5	3	10	9	20	10
Non-mobile revenues	95	74	149	161	342	149
Total revenues	**1 928**	**2 113**	**3 700**	**4 141**	**8 181**	**3 707**
Operating expenditures	673	795	1 324	1 534	2 788	1 321
EBITDA before other items	**956**	**1 017**	**1 800**	**2 005**	**4 204**	**1 830**
Operating profit	**553**	**636**	**910**	**1 251**	**2 678**	**940**
EBITDA before other items/ Total revenues (%)	49.6	48.1	48.7	48.4	51.4	49.4
Capex	252	298	499	699	1 438	499
No. of subscriptions - Change in quarter/Total (in thousands):	602	746	43 249	40 797	41 625	43 249
ARPU - monthly (NOK)	14	17	14	17	16	14
Exchange rate (PKR)			0.0695	0.0809	0.0785	0.0695

- In Pakistan, we have seen a recovery in the revenue development after a slowdown during the beginning of the year.
- The number of subscriptions increased by 0.6 million during the quarter, taking the total base to 43.2 million, which is 6% higher than at the end of second quarter last year.
- Subscription and traffic revenues increased by 4%, driven by subscription growth as ARPU remained flat. Total revenues increased by 8% as increased handset sales and higher international interconnect revenues contributed positively.
- Opex remained flat as efficiency initiatives are providing good results. EBITDA improved by 11%, and the EBITDA margin was 50%.
- Capex remained low during the quarter, awaiting the clarifications towards ZTE. Priority was given to expanding the 4G footprint, which is now covering 44% of the population.

Myanmar

(NOK in millions)	Second quarter 2018	Second quarter 2017	First half year 2018	First half year 2017	Year 2017	First half year 2018 IFRS15
Revenues						
Subscription and traffic	1 431	1 478	2 743	2 930	5 585	2 743
Interconnect revenues	208	240	430	500	941	430
Other mobile revenues	11	(6)	17	15	39	17
Non-mobile revenues	10	21	23	39	78	23
Total revenues	**1 659**	**1 734**	**3 213**	**3 484**	**6 643**	**3 213**
Operating expenditures	703	643	1 357	1 370	2 763	1 357
EBITDA before other items	**727**	**836**	**1 394**	**1 582**	**2 869**	**1 394**
Operating profit	**349**	**544**	**686**	**1 046**	**1 796**	**686**
EBITDA before other items/ Total revenues (%)	43.8	48.2	43.4	45.4	43.2	43.4
Capex	236	732	442	1 002	2 545	442
No. of subscriptions - Change in quarter/Total (in thousands):	147	(41)	19 083	18 757	19 474	19 083
ARPU - monthly (NOK)	29	30	28	31	29	28
Exchange rate (MMK)			0.0059	0.0062	0.0060	0.0059

- In Myanmar, the revenue trend improved as higher data usage resulted in a 2% growth in subscription and traffic revenues. Adjusted for a change in periodisation of data packs this quarter, the subscription and traffic revenues were flat. The competition intensified during the quarter as the fourth operator launched its services in June.
- The subscription base increased by 0.1 million during the quarter and the total base ended at 19.1 million, 2% higher than same period last year.
- ARPU decreased by 1% as growth in data was not able to offset the decline in voice and interconnect. Compared to first quarter, ARPU increased by 4% excluding the change in periodisation of data packs.
- EBITDA decreased by 9% as gross profit uplift was more than offset by increased expenses, mainly in salaries and personnel, advertising and reversals last year. The EBITDA margin was 44%.
- Capital expenditure continues to be driven by network expansion and 4G roll-out.

Broadcast

(NOK in millions)	Second quarter 2018	Second quarter 2017	First half year 2018	First half year 2017	Year 2017	First half year 2018 IFRS15
Revenues						
Canal Digital DTH	1 139	1 154	2 272	2 253	4 557	2 266
Satellite	228	227	437	454	892	437
Norkring	267	283	532	564	1 095	532
Other/Eliminations	(118)	(117)	(237)	(235)	(472)	(237)
Total revenues	**1 516**	**1 547**	**3 005**	**3 035**	**6 071**	**2 998**
Operating expenditures	**428**	**434**	**850**	**889**	**1 771**	**866**
EBITDA before other items						
Canal Digital DTH	224	230	455	403	844	433
Satellite	151	143	286	296	585	286
Norkring	143	159	283	300	601	283
Other/Eliminations	(8)	(4)	(10)	(9)	(33)	(10)
Total EBITDA before other items	**510**	**529**	**1 014**	**990**	**1 997**	**991**
Operating profit						
Canal Digital DTH	194	206	405	357	760	383
Satellite	81	424	140	484	613	140
Norkring	71	87	135	149	300	135
Other/Eliminations	(8)	(7)	(11)	(7)	(32)	(11)
Total operating profit	**337**	**709**	**669**	**983**	**1 641**	**647**
EBITDA before other items/ Total revenues (%)	33.6	34.2	33.7	32.6	32.9	33.1
Capex	77	95	148	189	409	148
No. of subscriptions - Change in quarter/Total (in thousands):						
DTH TV	(6)	(4)	816	851	838	816

- Total revenues in Broadcast decreased by 2% due to shutdown of FM broadcasting in Norway and unfavourable currency effects.
- EBITDA decreased by 4%, as reduced revenues were only partly offset by lower customer service cost in Canal Digital, and reduced repair and maintenance cost in Norkring.
- Capital expenditure was primarily driven by roll-out of sites for mobile operators, expansion of the DAB network in Norway, and platform investments in Canal Digital.

Other units

(NOK in millions)	Second quarter 2018	Second quarter 2017	First half year 2018	First half year 2017 Restated*	Year 2017 Restated*	First half year 2018 IFRS15
Revenues						
Global Wholesale	737	769	1 455	1 580	2 995	1 455
Corporate Functions	837	794	1 735	1 595	3 178	1 735
Digital Businesses incl. Financial services	292	285	616	540	1 221	616
Other / eliminations	103	97	160	210	409	160
Total revenues	**1 969**	**1 944**	**3 966**	**3 925**	**7 804**	**3 966**
Operating expenditures	**1 297**	**1 367**	**2 586**	**2 713**	**5 300**	**2 586**
EBITDA before other items						
Global Wholesale	40	37	86	61	135	86
Corporate Functions	(52)	(190)	(118)	(327)	(547)	(118)
Digital Businesses incl. Financial services	(59)	(132)	(85)	(262)	(403)	(85)
Other / eliminations	12	18	12	38	59	12
Total EBITDA before other items	**(58)**	**(267)**	**(106)**	**(491)**	**(756)**	**(106)**
Operating profit (loss)						
Global Wholesale	28	11	53	21	56	53
Corporate Functions	(232)	(329)	(389)	(544)	(421)	(389)
Digital Businesses incl. Financial services	(105)	(534)	(173)	(698)	(2 600)	(173)
Other / eliminations	(1)	9	(16)	81	68	(16)
Total operating profit (loss)	**(311)**	**(843)**	**(524)**	**(1 141)**	**(2 897)**	**(524)**
Capex	65	154	159	286	531	159
Investments in businesses	-	1 771	32	1 849	1 905	32

* Refer to note 9.

- In Global Wholesale, revenues decreased by NOK 32 million primarily driven by price decreases, partly offset by revenues from messaging and connectivity. EBITDA increased by NOK 3 million, as operational cost initiatives more than offset revenue decrease.
- In Corporate Functions, EBITDA continued to improve due to lower cost from a more focused agenda.
- In Digital Businesses, revenues increased by 3% or NOK 7 million in the quarter. EBITDA improved by NOK 73 million as a result of change in Tapad and workforce reductions in Digital Businesses staff functions.

Group performance 2018

The comments below are related to Telenor's development in the first half of 2018 compared to the first half of 2017. Telenor's operations in Hungary, Montenegro & Serbia and Bulgaria as well as Telenor Common Operation, Telenor Microfinance Bank and Telenor Banka are classified as discontinued operations. Consequently, historical Group income statement has been re-presented accordingly. Please refer to note 3 for further information.

Specification of other income and other expenses

	Second quarter		First half year		Year
(NOK in millions)	2018	2017	2018	2017	2017
EBITDA before other income and other expenses	11 337	11 605	22 677	22 110	44 694
EBITDA before other income and other expenses (%)	41.2	41.0	41.5	39.5	39.9
Other income	-	140	-	140	140
Gains on disposals of fixed assets and operations	9	369	46	445	1 166
Losses on disposals of fixed assets and operations	(123)	(80)	(154)	(118)	(231)
Workforce reductions, onerous (loss) contracts and one-time pension costs	(262)	(118)	(443)	(290)	(941)
EBITDA	**10 962**	**11 916**	**22 127**	**22 287**	**44 828**
EBITDA margin (%)	39.9	42.1	40.5	39.8	40.0

In the second quarter of 2018 'Other income and other expenses' consisted mainly of:
- Workforce reductions in Digi NOK 80 million, Corporate Functions NOK 55 million and Telenor Norway NOK 45 million.
- Loss on disposal related to scrapping of fixed assets in Telenor Norway, Telenor Sweden and Telenor Denmark.

In the first half of 2018 'Other income and other expenses' consisted mainly of:
- Workforce reductions in Telenor Norway, Corporate Functions and Digi.
- Loss on disposal related to scrapping of fixed assets in Telenor Norway, Telenor Denmark and Telenor Sweden.
- Gain on disposals is related to partial divestment of Video Communication AS from a subsidiary to be an associated company.

In the first half of 2017 'Other income and other expenses' consisted mainly of:
- Positive vendor settlement.
- Gains related to a finance lease arrangement in Broadcast and divestment of ABC startsiden.
- Workforce reductions mainly in Telenor Norway.

Operating profit

- Reported operating profit decreased by NOK 0.7 billion as a result of a slight decrease in EBITDA and higher depreciations.

Financial items

	Second quarter		First half year		Year
(NOK in millions)	2018	2017	2018	2017	2017
Financial income	113	813	565	944	1 564
Financial expenses	(586)	(800)	(1 055)	(1 565)	(2 991)
Net currency gains (losses)	(1 091)	666	135	602	1 030
Net change in fair value of financial instruments	(110)	142	670	(52)	425
Net gains (losses and impairment) of financial assets and liabilities	2	-	2	2	(181)
Net financial income (expenses)	**(1 672)**	**820**	**316**	**(69)**	**(152)**
Gross interest expenses	(531)	(725)	(901)	(1 380)	(2 600)
Net interest expenses	(452)	(628)	(750)	(1 216)	(2 198)

- Financial income in the first half of 2018 includes dividend from VEON of NOK 345 million recognised in the first quarter.
- A strong Norwegian Krone leads to net currency gains in the first half of 2018. Revaluation of liabilities in foreign currency is the main driver for these currency gains. Net currency losses in the second quarter of 2018 is mainly caused by USD appreciating against NOK. The appreciation almost reversed the depreciation of USD against NOK in the first quarter.
- Net change in fair value of financial instruments in the first half of 2018 includes a NOK 851 million gain on the financial derivative features of the bond exchangeable into VEON ADSs, compared to a gain of NOK 80 million in the first half of 2017.

Taxes

- The underlying tax rate for the first half of 2018 remains stable at around 29%, while the effective tax rate for the first half was 30%. The effective tax rate was slightly higher than the underlying tax rate due to tax reassessment decisions received from Norwegian Tax Authorities with a negative impact of NOK 0.3 billion.
- The effective tax rate for the year is estimated to be around 30%.

Cash flow

- Net cash inflow from operating activities during the first half of 2018 was NOK 17.4 billion, a decrease of NOK 2.8 billion compared to 2017 mainly due to changes in working capital and higher taxes paid.
- Net cash outflow to investing activities during the first half of 2018 was NOK 9.9 billion, an increase of NOK 3.8 billion compared to 2017. Lower cash outflows related to purchases of network assets and spectrum licences of NOK 2.0 billion and investments in businesses of NOK 1.8 billion (the acquisition of 701Search Pte. Ltd in 2017) were more than offset by lower inflows from sale of businesses of NOK 7.4 billion (sale of SnT Classifieds and VEON in 2017 and India in 2018).
- Net cash outflow to financing activities during the first half of 2018 was NOK 9.4 billion. This is explained by total shareholder return of NOK 10 billion (share buyback of NOK 3.8 billion and dividend to Telenor ASA shareholders of NOK 6.2 billion), dividend paid to minority interest of NOK 1.4 billion, and payments on licence obligations of NOK 0.4 billion less net proceeds from borrowings of NOK 2.5 billion.
- Cash and cash equivalents decreased by NOK 2.3 billion during 2018 to NOK 20.0 billion as of 30 June 2018.

Financial position

- During the first half of 2018, total assets decreased by NOK 8.9 billion to NOK 192.9 billion. This was mainly due to strengthening of the Norwegian Krone against all relevant currencies and reduction in the fair value of VEON shares. This was partly offset by increase in assets due to IFRS 15 implementation (see note 2 for further information).
- Net debt increased by NOK 2.5 billion to NOK 49.3 billion. Cash and cash equivalents, fixed income investements and fair value hedge instrument receivables decreased by NOK 4.0 billion, NOK 0.5 billion and NOK 0.4 billion respectively. This was partially offset by the decrease in interest-bearing liabilities excluding licence obligations by NOK 2.4 billion.
- Total equity decreased by NOK 9.9 billion to NOK 52.4 billion. This was mainly due to dividends to equity holders of Telenor ASA and non-controlling interests of NOK 13.4 billion, share buyback of NOK 3.8 billion, decline in the fair value of VEON shares of NOK 3.1 billion and negative currency translation effects of NOK 2.6 billion. This was partially offset by positive net income from operations of NOK 9.3 billion and IFRS 15 implementation effect on opening balance of NOK 3.5 billion (see note 2 for further information).

Transactions with related parties

As part of the finalisation of the share buyback programme approved by the Annual General Meeting in 2017, the redemption of 16,189,561 shares owned by the Norwegian Government by the Ministry of Trade and Fisheries against a payment of an amount of NOK 2,733 million to the Ministry of Trade and Fisheries was carried out in the second quarter 2018.

For further detailed information on related party transactions refer to Note 32 in Telenor's Annual Report 2017.

Risk and uncertainties

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

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

Telenor ASA seeks to allocate debt on the basis of equity market values in local currencies, predominantly EUR, USD and SEK. Foreign currency debt in Telenor ASA that exceeds the booked equity of investments in the same currency will not be part of an effective net investment hedge relationship. Currency fluctuations related to this part of the debt will be recorded in the income statement.

For additional explanations regarding risks and uncertainties, please refer to the Report of the Board of Directors for 2017, section Risk Factors and Risk Management, and Telenor's Annual Report 2017 Note 13 Income taxes, Note 28 Financial Risk Management and Note 33 Legal Disputes 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 2017 are:

Legal disputes

See note 6 for details.

Financial aspects

In relation to the sale of Telenor India the exposure to claims from the Department of Telecommunications in India related to the period Telenor owned the business remains with Telenor, see note 3.

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' 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, 16 July 2018
The Board of Directors of Telenor ASA

Interim condensed financial information

Consolidated income statement

Telenor Group

	Second quarter		First half year		Year
(NOK in millions except earnings per share)	2018	2017	2018	2017	2017
Revenues	27 503	28 332	54 653	55 928	112 069
Costs of materials and traffic charges	(6 478)	(6 571)	(12 665)	(13 284)	(26 928)
Salaries and personnel costs	(2 755)	(2 828)	(5 534)	(5 787)	(11 412)
Other operating expenses	(6 933)	(7 328)	(13 777)	(14 747)	(29 034)
Other income	9	509	46	585	1 306
Other expenses	(384)	(199)	(597)	(408)	(1 172)
EBITDA	**10 962**	**11 916**	**22 127**	**22 287**	**44 828**
Depreciation and amortisation	(5 173)	(4 924)	(10 527)	(9 643)	(19 621)
Impairment losses	-	(380)	(1)	(380)	(833)
Operating profit	**5 790**	**6 612**	**11 598**	**12 264**	**24 374**
Share of net income from associated companies and joint ventures	10	(559)	11	558	531
Gain (loss) on disposal of associated companies	-	(5 150)	-	(5 150)	(5 148)
Net financial income (expenses)	(1 672)	820	316	(69)	(152)
Profit before taxes	**4 128**	**1 723**	**11 925**	**7 603**	**19 605**
Income taxes	(1 222)	(1 610)	(3 519)	(3 215)	(6 491)
Profit from continuing operations	**2 906**	**114**	**8 407**	**4 389**	**13 114**
Profit (loss) from discontinued operations	611	520	871	1 107	1 784
Net income	**3 517**	**634**	**9 278**	**5 496**	**14 898**
Net income attributable to:					
Non-controlling interests	872	801	1 640	1 494	2 915
Equity holders of Telenor ASA	2 645	(167)	7 637	4 001	11 983
Earnings per share in NOK					
Basic from continuing operations	1.38	(0.46)	4.56	1.93	6.80
Diluted from continuing operations	1.38	(0.46)	4.56	1.93	6.80
Earnings per share in NOK					
Basic from discontinued operations	0.41	0.35	0.59	0.74	1.19
Diluted from discontinued operations	0.41	0.35	0.59	0.74	1.19
Earnings per share in NOK					
Basic from total operations	1.79	(0.11)	5.15	2.67	7.99
Diluted from total operations	1.79	(0.11)	5.15	2.67	7.99

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

Consolidated statement of comprehensive income

Telenor Group

	Second quarter		First half year		Year
(NOK in millions)	2018	2017	2018	2017	2017
Net income	**3 517**	**634**	**9 278**	**5 496**	**14 898**
Translation differences on net investment in foreign operations	(912)	1 185	(3 545)	1 481	2 296
Income taxes	-	10	-	6	-
Amount reclassified from other comprehensive income to income statement on disposal	(165)	(7 744)	(165)	(7 744)	(7 744)
Net gain (loss) on hedge of net investment	211	(764)	1 410	(963)	(1 426)
Income taxes	(49)	183	(324)	231	342
Amount reclassified from other comprehensive income to income statement on disposal	-	4 094	-	4 094	4 094
Income taxes reclassified	-	(1 119)	-	(1 119)	(1 119)
Share of other comprehensive income (loss) of associated companies and joint ventures	1	(10)	(1)	(341)	(342)
Amount reclassified from other comprehensive income to income statement on disposal	-	12 282	-	12 282	12 282
Items that may be reclassified subsequently to income statement	**(913)**	**8 118**	**(2 625)**	**7 927**	**8 383**
Net gain (loss) on equity investments	(294)	(419)	(3 079)	(418)	(633)
Remeasurement of defined benefit pension plans	78	116	328	66	(63)
Income taxes	(18)	(29)	(66)	(15)	-
Items that will not be reclassified to income statement	**(234)**	**(332)**	**(2 817)**	**(367)**	**(696)**
Other comprehensive income (loss), net of taxes	**(1 147)**	**7 786**	**(5 442)**	**7 560**	**7 687**
Total comprehensive income	**2 370**	**8 420**	**3 836**	**13 056**	**22 585**
Total comprehensive income attributable to:					
Non-controlling interests	905	732	1 563	1 488	2 897
Equity holders of Telenor ASA	1 465	7 688	2 273	11 568	19 688

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

Consolidated statement of financial position

Telenor Group

(NOK in millions)	30 June 2018	31 December 2017	30 June 2017
Deferred tax assets	1 855	1 917	1 522
Goodwill	13 650	26 446	27 406
Intangible assets	24 125	30 601	31 732
Property, plant and equipment	69 443	75 557	73 383
Associated companies and joint ventures	523	480	442
Other non-current assets	12 601	13 297	17 024
Total non-current assets	**122 196**	**148 298**	**151 509**
Prepaid taxes	1 232	1 076	704
Inventories	1 124	1 773	1 727
Trade and other receivables	19 840	24 749	25 129
Other current financial assets	813	1 622	1 658
Assets classified as held for sale	29 067	1 701	1 018
Cash and cash equivalents	18 578	22 546	20 635
Total current assets	**70 654**	**53 468**	**50 871**
Total assets	**192 850**	**201 765**	**202 380**
Equity attributable to equity holders of Telenor ASA	47 111	57 496	50 804
Non-controlling interests	5 333	4 839	4 732
Total equity	**52 444**	**62 335**	**55 536**
Non-current interest-bearing liabilities	46 327	51 587	51 380
Non-current non-interest-bearing liabilities	1 291	1 105	1 734
Deferred tax liabilities	3 712	3 359	2 821
Pension obligations	2 066	2 565	2 445
Provisions and obligations	5 086	4 132	3 571
Total non-current liabilities	**58 481**	**62 747**	**61 951**
Current interest-bearing liabilities	25 569	22 710	26 626
Trade and other payables	34 065	40 295	39 202
Dividend payable	5 739	-	5 255
Current tax payables	5 036	4 438	4 925
Current non-interest-bearing liabilities	1 488	3 253	3 624
Provisions and obligations	938	1 777	1 419
Liabilities classified as held for sale	9 091	4 210	3 842
Total current liabilities	**81 925**	**76 683**	**84 894**
Total equity and liabilities	**192 850**	**201 765**	**202 380**

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

Consolidated statement of cash flows

Telenor Group

(NOK in millions)	Second quarter 2018	Second quarter 2017 Restated	First half year 2018	First half year 2017 Restated	Year 2017 Restated
Profit before taxes from total operations[1]	4 648	2 355	12 776	8 887	21 751
Income taxes paid	(2 202)	(1 086)	(3 766)	(2 211)	(6 100)
Net (gains) losses from disposals, impairments and change in fair value of financial assets and liabilities	220	(414)	(555)	(258)	(1 212)
Depreciation, amortisation and impairment losses	5 580	5 719	11 391	10 836	22 166
Loss (profit) from associated companies and joint ventures	(10)	5 709	(11)	4 592	4 617
Dividends received from associated companies	3	22	11	22	24
Currency (gains) losses not related to operating activities	844	(826)	(287)	(824)	(1 072)
Changes in working capital and other	(327)	(186)	(2 196)	(892)	550
Net cash flow from operating activities	**8 756**	**11 294**	**17 363**	**20 151**	**40 723**
Purchases of property, plant and equipment (PPE) and intangible assets	(3 531)	(5 178)	(9 087)	(11 099)	(20 726)
Purchases of subsidiaries, associated companies and joint ventures, net of cash acquired	(13)	(1 806)	(13)	(1 811)	(2 000)
Proceeds from disposal of PPE, intangible assets, associated companies and businesses, net of cash disposed	(821)	6 501	(820)	6 593	7 511
Proceeds from sale and purchases of other investments	(23)	329	24	247	3 140
Net cash flow from investing activities	**(4 387)**	**(154)**	**(9 896)**	**(6 069)**	**(12 075)**
Proceeds from and repayments of borrowings	4 033	(9 176)	2 454	(8 274)	(12 574)
Payments on licence obligations	(410)	(292)	(410)	(441)	(973)
Net payments on supply chain financing	75	25	(91)	(259)	(221)
Share buyback by Telenor ASA	(2 807)	-	(3 754)	-	(1 435)
Dividends paid to and purchases of shares from non-controlling interests	(1 021)	(926)	(1 379)	(1 269)	(2 586)
Dividends paid to equity holders of Telenor ASA	(6 248)	(6 456)	(6 248)	(6 706)	(11 944)
Net cash flow from financing activities	**(6 379)**	**(16 825)**	**(9 428)**	**(16 949)**	**(29 733)**
Effects of exchange rate changes on cash and cash equivalents	(58)	134	(346)	347	454
Net change in cash and cash equivalents	**(2 069)**	**(5 551)**	**(2 308)**	**(2 521)**	**(632)**
Cash and cash equivalents at the beginning of the period	22 079	25 982	22 318	22 951	22 951
Cash and cash equivalents at the end of the period [2]	**20 010**	**20 430**	**20 010**	**20 430**	**22 319**
Of which cash and cash equivalents in assets held for sale at the end of the period	1 955	47	1 955	47	362
Cash and cash equivalents in continuing operations at the end of the period	**18 055**	**20 383**	**18 055**	**20 383**	**21 957**
[1] Profit before taxes from total operations consists of:					
Profit before taxes from continuing operations	4 128	1 723	11 925	7 603	19 605
Profit before taxes from discontinued operations	520	632	851	1 284	2 147
Profit before taxes from total operations	4 648	2 355	12 776	8 887	21 751

[2] As of 30 June 2018, restricted cash was NOK 428 million, while as of 30 June 2017, restricted cash was NOK 500 million.

Cash flow from discontinued operations

(NOK in millions)	Second quarter 2018	Second quarter 2017	First half year 2018	First half year 2017	Year 2017
Net cash flow from operating activities	1 250	1 107	1 352	383	3 589
Net cash flow from investing activities	(1 010)	(288)	(1 268)	(571)	(1 290)
Net cash flow from financing activities	(728)	(3)	(245)	(134)	(197)

The cash flows ascribed to discontinued operations are only cash flows from external transactions. Hence, the cash flows presented for discontinued operations do not reflect these operations as if they were stand alone entities.

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

Consolidated statement of changes in equity

Telenor Group

	Attributable to equity holders of the parent						
(NOK in millions)	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences	Total	Non-controlling interests	Total equity
Equity as of 1 January 2017	**9 078**	**(16 343)**	**58 000**	**144**	**50 879**	**4 517**	**55 396**
Net income for the period	-	-	11 983	-	11 983	2 915	14 898
Other comprehensive income for the period	-	11 247	-	(3 542)	7 705	(18)	7 687
Total comprehensive income for the period	**-**	**11 247**	**11 983**	**(3 542)**	**19 688**	**2 897**	**22 585**
Transactions with non-controlling interests	-	-	-	-	-	67	67
Equity adjustments in associated companies and joint ventures	-	(539)	586	-	47	-	47
Dividends	-	-	(11 694)	-	(11 694)	(2 642)	(14 335)
Share buyback	(52)	(1 424)	-	-	(1 476)	-	(1 476)
Share-based payment, exercise of share options and distribution of shares	-	52	-	-	52	-	52
Equity as of 31 December 2017 - as previously reported	**9 025**	**(7 006)**	**58 875**	**(3 398)**	**57 496**	**4 839**	**62 336**
Changes in accounting principles - Note 1	-	164	3 140	-	3 304	300	3 604
Equity as of 1 January 2018	**9 025**	**(6 842)**	**62 015**	**(3 398)**	**60 800**	**5 139**	**65 940**
Net income for the period	-	-	7 637	-	7 637	1 640	9 278
Other comprehensive income for the period	-	(2 837)	-	(2 527)	(5 364)	(77)	(5 442)
Total comprehensive income for the period	**-**	**(2 837)**	**7 637**	**(2 527)**	**2 273**	**1 563**	**3 836**
Transactions with non-controlling interests	-	-	-	-	-	(2)	(2)
Dividends	-	-	**(11 987)**	-	**(11 987)**	**(1 367)**	**(13 354)**
Share buyback	(132)	(3 622)	-	-	(3 754)	-	(3 754)
Share-based payment, exercise of share options and distribution of shares	-	(222)	-	-	(222)	-	(222)
Equity as of 30 June 2018	**8 894**	**(13 524)**	**57 666**	**(5 926)**	**47 111**	**5 333**	**52 444**

(NOK in millions)	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences	Total	Non-controlling interests	Total equity
Equity as of 1 January 2017	**9 078**	**(16 343)**	**58 000**	**144**	**50 879**	**4 517**	**55 396**
Net income for the period	-	-	4 001	-	4 001	1 494	5 496
Other comprehensive income for the period	-	11 575	-	(4 008)	7 567	(7)	7 560
Total comprehensive income for the period	**-**	**11 575**	**4 001**	**(4 008)**	**11 568**	**1 488**	**13 056**
Transactions with non-controlling interests	-	-	-	-	-	39	39
Equity adjustments in associated companies and joint ventures	-	47	-	-	47	-	47
Dividends	-	-	(11 711)	-	(11 711)	(1 312)	(13 023)
Share-based payment, exercise of share options and distribution of shares	-	21	-	-	21	-	21
Equity as of 30 June 2017	**9 078**	**(4 700)**	**50 290**	**(3 865)**	**50 804**	**4 732**	**55 536**

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

Notes to the interim consolidated 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 six months ending 30 June 2018, 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 financial statements 2017. 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 2017, with the exceptions stated below.

- IFRS 15 *Revenue from Contracts w ith Customers* (effective from 1 January 2018). IFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. The main implications from the implementation IFRS 15 for the Group are the following:

  - Allocation based on stand-alone selling prices: IFRS 15 requires allocation of the total consideration in a contract between elements in multiple elements arrangements based on the stand-alone selling prices for the goods and services included. The Group's past accounting policy was to cap the revenue of delivered items to the amount that is not contingent on delivery of additional items or other specified performance criteria. This change has a material impact on the revenue recognition where a significant discount is provided to the customer on day one. In such circumstances the new revenue recognition standard impacted the average revenue per subscription per month (ARPU) negatively and increased handset revenues. As a consequence and in isolation, recognised gross margins on handset sales will improved.

  - Multiple element arrangements sold through external channels: In some markets where handsets and subscriptions are sold through external channels, the Group is the principal in the subscription sale only, while the handset is regarded as sold by the dealer on instalment plans collected by the Group. For arrangements where the dealer is compensated through commission, and where there are no clear links between the payment to the dealer and the collection of consideration from the customer, the current accounting policy of the Group is to recognise a commission expense and increased subscription revenue. Under IFRS 15 the commission will be offset against revenue to the extent it is possible to establish a link between the commission to the dealer, which is passed on to the customer, and the consideration from the customer subsequently collected by the Group. Consequently, the ARPU will be negatively impacted in these arrangements.

  - Incremental cost for obtaining a contract: Incremental costs for obtaining a contract, such as sales commissions, were under the previous accounting policy expensed as incurred. IFRS 15 requires capitalisation of such cost if the amortisation period is more than 12 months. The amortisation period is the expected contract period, including renewals. Amortisation of the capitalised cost of obtaining a customer is recognised as part of EBITDA. As a practical expedient, the Group is in most cases amortising contract costs on a portfolio level for contracts (or performance obligations) with similar characteristics since the expectation is that the effects on the consolidated financial statements would not differ materially from amortising contract by contract.

  - Transition methods: The Group has applied the modified approach for transition to IFRS 15, which implies:
    - Comparative figures for 2017 are not restated.
    - Disclosures reconciling each financial statement line item in 2018 with the current IFRS standards and interpretations, and explanations are provided for significant changes.
    - The cumulative effect of initially applying IFRS 15 was recognised as an adjustment to opening balance 1 January 2018, reflecting the contract asset and liability for open contracts as trade and other receivables and trade and other payables, and the capitalisation of cost of obtaining and fulfilling a contract as other non-current assets. Comparative numbers have not be restated and financial statements for both 2017 and 2018 based on accounting policies for 2017 have been disclosed in note 2, together with the effect on opening balance 1 January 2018:

- Presentation in statement of cash flow. The Group has introduced supply chain financing for some vendors and in some circumstances the payment terms in the contract with the vendor are linked to the supply chain financing arrangement. In such circumstances, the payable for the services or goods delivered are reclassified from trade payables to current non-interest-bearing liabilities and the cash outflow to the financial institution has been presented as financing activities in the Statement of Cash Flows. As of 1 January 2018, the Group has changed the accounting policy for presenting such arrangements in the statement of cash flow. When the payable is reclassified from trade payable to current non-interest-bearing liability, the Group show a cash outflow from operating activities if it is related to operating activities and cash outflow from investing activities if it is related to investing activities. At the same time a cash inflow is recognised in financing activities, reflecting the required payment to the financial institution providing the supply chain financing arrangement. When the Group make the payment to the finance institution, it will be reflected as a repayment of debt in financing activities in the statement of cash flow. The comparative numbers is restated as followed:

(NOK in millions)	Reported First quarter 2017	Restated First quarter 2017	Reported Second quarter 2017	Restated Second quarter 2017	Reported Third quarter 2017	Restated Third quarter 2017	Reported Fourth quarter 2017	Restated Fourth quarter 2017	Reported Year 2017	Restated Year 2017
Cash flow from operating activities										
Changes in working capital and other	(400)	(706)	122	(186)	1 223	864	929	578	1 873	550
Cash flow from investing activities										
Purchases of property, plant and equipment (PPE) and intangible assets	(5 377)	(5 921)	(4 583)	(5 177)	(3 883)	(4 446)	(4 518)	(5 182)	(18 361)	(20 726)
Cash flow from financing activities										
Net payments on supply chain financing	(1 133)	(284)	(877)	25	(899)	23	(1 000)	15	(3 909)	(221)

- IFRS 9 *Financial Instruments* (effective from 1 January 2018). IFRS 9 replaces the old incurred loss model with an expected loss model. This new model had a minor increase in provision for bad debt, as a provision for bad debt will be recognised before any event has happened as required under an incurred loss model. The Group has elected to use the simplified approach as described in IFRS 9.

- Amendments to IFRS 2 *Share-based payments* (effective from 1 January 2018). The amendment changes the accounting for share-based payment arrangements where the Group is obligated to withhold an amount for an employee's tax obligation associated with a share-based payment and transfer that amount, normally in cash, to the tax authority on the employee's behalf. This part of the share-based payment arrangements, which previously has been recognised as a cash settled share-based payment transaction, is from 1 January 2018 accounted for as equity-settled share-based payment transactions. The liability of NOK 164 million as of 31 December 2017 has been reclassified to equity 1 January 2018.

For information about the standards and interpretations effective from 1 January 2018, please refer to Note 1 in the Group's Annual Report 2017. Except for the changes described in note 1 and 2, none of the standards and interpretations effective from 1 January 2018 have had a significant impact on the Group's consolidated interim financial statements.

Note 2 – Disaggregation of revenue

In the following table revenue is disaggregated by major revenue streams divided into the reportable segments as shown in note 9.

Second quarter

(NOK in millions)	Norway	Sweden	Denmark	dtac Thailand	Digi Malaysia	Grameenphone Bangladesh	Pakistan	Myanmar	Broadcast	Other units	Eliminations	Group
Total revenue	**6 458**	**3 042**	**1 255**	**4 715**	**3 282**	**3 110**	**1 931**	**1 660**	**1 511**	**1 950**	**(1 407)**	**27 503**
Type of good/ services												
Mobile operation	**3 829**	**2 187**	**1 125**	**4 715**	**3 282**	**3 110**	**1 931**	**1 659**	**-**	**-**	**(275)**	**21 561**
Services	3 282	1 778	875	4 178	2 993	3 110	1 872	1 659	-	-	(275)	19 470
Goods	548	410	250	537	289	-	59	-	-	-	-	2 091
Fixed operation	**2 629**	**854**	**130**	**-**	**-**	**-**	**-**	**1**	**-**	**746**	**(297)**	**4 064**
Services	2 450	836	130	-	-	-	-	1	-	746	(297)	3 867
Goods	179	18	-	-	-	-	-	-	-	-	-	197
Satelitte and TV distribution	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1 511**	**-**	**(56)**	**1 456**
Services	-	-	-	-	-	-	-	-	1 472	-	(56)	1 416
Goods	-	-	-	-	-	-	-	-	39	-	-	39
Other	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1 203**	**(779)**	**425**
Services	-	-	-	-	-	-	-	-	-	1 203	(779)	425
Goods	-	-	-	-	-	-	-	-	-	-	-	-
Sum type of good/ services	**6 458**	**3 042**	**1 255**	**4 715**	**3 282**	**3 110**	**1 931**	**1 660**	**1 511**	**1 950**	**(1 407)**	**27 503**
Type of mobile subscription												
Contract	2 826	1 556	793	2 326	1 143	114	49	7	-	-	(48)	8 766
Prepaid	42	37	-	1 746	1 754	2 936	1 781	1 632	-	-	(108)	9 821
Other*	413	185	82	106	96	60	41	20	-	-	(120)	882
Sum mobile subscription	**3 282**	**1 778**	**875**	**4 178**	**2 993**	**3 110**	**1 872**	**1 660**	**-**	**-**	**(275)**	**19 470**
Timing of revenue recognition												
Over time	5 731	2 614	1 006	4 178	2 993	3 110	1 873	1 660	1 472	1 950	(1 407)	25 178
At a point in time	727	428	250	537	289	-	59	-	39	-	-	2 328
Total revenues	**6 458**	**3 042**	**1 255**	**4 715**	**3 282**	**3 110**	**1 931**	**1 660**	**1 511**	**1 950**	**(1 407)**	**27 503**

* Other includes revenue from Interconnect, roaming, telemetrics and wholesale.

First half year

(NOK in millions)	Norway	Sweden	Denmark	dtac Thailand	Digi Malaysia	Grameenphone Bangladesh	Pakistan	Myanmar	Broadcast	Other units	Eliminations	Group
Total revenue	**12 752**	**6 238**	**2 473**	**9 498**	**6 545**	**6 061**	**3 707**	**3 213**	**2 998**	**3 929**	**(2 762)**	**54 653**
Type of good/ services												
Mobile operation	**7 445**	**4 479**	**2 212**	**9 498**	**6 545**	**6 061**	**3 707**	**3 213**	**-**	**-**	**(464)**	**42 695**
Services	6 452	3 605	1 736	8 376	5 970	6 061	3 634	3 213	-	-	(464)	38 580
Goods	992	875	477	1 122	576	-	73	-	-	-	-	4 115
Fixed operation	**5 307**	**1 759**	**261**	**-**	**-**	**-**	**-**	**1**	**-**	**1 461**	**(594)**	**8 196**
Services	4 965	1 720	261	-	-	-	-	1	-	1 461	(594)	7 816
Goods	341	39	-	-	-	-	-	-	-	-	-	380
Satelitte and TV distribution	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2 998**	**-**	**(114)**	**2 885**
Services	-	-	-	-	-	-	-	-	2 920	-	(114)	2 807
Goods	-	-	-	-	-	-	-	-	78	-	-	78
Other	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2 467**	**(1 591)**	**877**
Services	-	-	-	-	-	-	-	-	-	2 467	(1 591)	877
Goods	-	-	-	-	-	-	-	-	-	-	-	-
Sum type of good/ services	**12 752**	**6 238**	**2 473**	**9 498**	**6 545**	**6 061**	**3 707**	**3 213**	**2 998**	**3 929**	**(2 762)**	**54 653**
Type of mobile subscription												
Contract	5 584	3 178	1 594	4 590	2 255	224	102	14	-	-	(74)	17 466
Prepaid	91	75	-	3 538	3 533	5 730	3 446	3 159	-	-	(184)	19 387
Other*	778	352	142	248	182	107	86	40	-	-	(206)	1 728
Sum mobile subscription	**6 452**	**3 605**	**1 736**	**8 376**	**5 970**	**6 061**	**3 634**	**3 213**	**-**	**-**	**(464)**	**38 580**
Timing of revenue recognition												
Over time	11 418	5 325	1 997	8 376	5 970	6 061	3 634	3 213	2 920	3 929	(2 762)	50 080
At a point in time	1 334	914	477	1 122	576	-	73	-	78	-	-	4 573
Total revenues	**12 752**	**6 238**	**2 473**	**9 498**	**6 545**	**6 061**	**3 707**	**3 213**	**2 998**	**3 929**	**(2 762)**	**54 653**

* Other includes revenue from Interconnect, roaming, telemetrics and wholesale.

Impacts related to IFRS 15 Revenue from contracts with customers

The Group used the modified retrospective approach when implementing IFRS 15 Revenue from contracts with customers from 1 January 2018. The tables below show the impact arising from IFRS 15 on the opening balance, for the second quarter of 2017 and 2018 and for the first half 2017 and 2018.

Consolidated income statement

(NOK in millions)	Second quarter 2018 (IFRS 15)	Impact IFRS 15	Second quarter 2018 (IAS 18)	Second quarter 2017 (IAS 18)	First half year 2018 (IFRS 15)	Impact IFRS 15	First half year 2018 (IAS 18)	First half year 2017 (IAS 18)
Revenues	27 503	(18)	27 485	28 332	54 653	(55)	54 597	55 928
Cost of materials and traffic charges	(6 478)	(21)	(6 499)	(6 571)	(12 665)	(48)	(12 713)	(13 284)
Salaries and personnel costs	(2 755)	(15)	(2 770)	(2 828)	(5 534)	(28)	(5 561)	(5 787)
Other operating expenses	(6 933)	17	(6 916)	(7 328)	(13 777)	62	(13 715)	(14 747)
Other income	9	-	9	509	46	-	46	585
Other expenses	(384)	-	(384)	(199)	(597)	-	(537)	408
EBITDA	**10 962**	**(38)**	**10 925**	**11 916**	**22 127**	**(69)**	**22 057**	**22 287**
Depreciation and amortisation	(5 173)	-	(5 173)	(4 924)	(10 527)	-	(10 527)	(9 643)
Impairment losses	-	-	(0)	(380)	(1)	-	(1)	(380)
Operating profit	**5 790**	**(38)**	**5 752**	**6 612**	**11 598**	**(69)**	**11 529**	**12 264**
Share of net income from associated companies and joint ventures	10	-	10	(559)	11	-	11	558
Gain (loss) on disposal of associated companies	-	-	-	(5 150)	-	-	-	(5 150)
Net financial income (expenses)	(1 672)	-	(1 672)	820	316	-	316	(69)
Profit before taxes	**4 128**	**(38)**	**4 090**	**1 723**	**11 925**	**(69)**	**11 856**	**7 603**
Income taxes	(1 222)	13	(1 209)	(1 610)	(3 519)	12	(3 507)	(3 215)
Profit from Continuing operations	**2 906**	**(25)**	**2 882**	**114**	**8 407**	**(57)**	**8 350**	**4 389**
Profit (loss) from discontinued operations	611	3	613	520	871	30	900	1 107
Net income	**3 517**	**(22)**	**3 495**	**634**	**9 278**	**(28)**	**9 250**	**5 496**
Net income attributable to:								
Non-controlling interests	872		866	801	1 640		1 608	1 494
Equity holders of Telenor ASA	2 645		2 628	(167)	7 637		7 642	4 001
Earnings per share in NOK								
Basic from continuing operations	1.38		1.36	(0.46)	4.56		4.55	1.93
Diluted from continuing operations	1.38		1.36	(0.46)	4.56		4.55	1.93
Earnings per share in NOK								
Basic from discontinuing operations	0.41		0.42	0.35	0.59		0.61	0.74
Diluted from discontinuing operations	0.41		0.42	0.35	0.59		0.61	0.74
Earnings per share in NOK								
Basic from total operations	1.79		1.78	(0.11)	5.15		5.15	2.67
Diluted from total operations	1.79		1.78	(0.11)	5.15		5.15	2.67

Consolidated statement of financial position

(NOK in millions)	Opening balance 31 December 2017 (IAS 18)	Opening balance Impact IFRS 15	Opening balance 1 January 2018 (IFRS 15)	30 June 2018 30 June 2018 (IAS 18)	30 June 2018 Impact IFRS 15	30 June 2018 30 June 2018 (IFRS 15)
Deferred tax assets	1 917	(210)	1 707	1 904	(49)	1 855
Goodwill	26 446	-	26 446	13 650	-	13 650
Intangible assets	30 601	-	30 601	24 125	-	24 125
Property, plant and equipment	75 557	-	75 557	69 443	-	69 443
Associated companies and joint ventures	480	-	480	523	-	523
Other non-current assets	13 297	3 267	16 564	9 525	3 076	12 601
Total non-current assets	**148 298**	**3 267**	**151 565**	**119 169**	**3 027**	**122 196**
Prepaid taxes	1 076	-	1 076	1 232	-	1 232
Inventories	1 773	-	1 773	1 124	-	1 124
Trade and other receivables	24 749	986	25 735	19 319	521	19 840
Other current financial assets	1 622	-	1 622	813	-	813
Assets classified as held for sale	1 701	-	1 701	28 366	700	29 067
Cash and cash equivalents	22 546	-	22 546	18 578	-	18 578
Total current assets	**53 468**	**986**	**54 454**	**69 433**	**1 221**	**70 654**
Total assets	**201 765**	**4 253**	**206 018**	**188 602**	**4 248**	**192 850**
Equity attributable to equity holders of Telenor ASA	57 496	3 186	60 682	44 064	3 047	47 111
Non-controlling interests	4 839	300	5 139	5 005	328	5 333
Total equity	**62 335**	**3 486**	**65 821**	**49 069**	**3 375**	**52 444**
Non-current interest-bearing liabilities	51 587	-	51 587	46 327	-	46 327
Non-current non-interest-bearing liabilities	1 105	-	1 105	1 291	-	1 291
Deferred tax liabilities	3 359	778	4 137	2 876	836	3 712
Pension obligations	2 565	-	2 565	2 066	-	2 066
Provisions and obligations	4 132	-	4 132	5 086	-	5 086
Total non-current liabilities	**62 747**	**778**	**63 525**	**57 646**	**836**	**58 481**
Current interest-bearing liabilities	22 710	-	22 710	25 569	-	25 569
Trade and other payables	40 295	(11)	40 284	34 090	(25)	34 065
Dividend payable	-	-	-	5 739	-	5 739
Current tax payables	4 438	-	4 438	5 036	-	5 036
Current non-interest-bearing liabilities	3 253	-	3 253	1 488	-	1 488
Provisions and obligations	1 777	-	1 777	938	-	938
Liabilities classified as held for sale	4 210	-	4 210	9 028	63	9 091
Total current liabilities	**76 683**	**(11)**	**76 672**	**81 887**	**38**	**81 925**
Total equity and liabilities	**201 765**	**4 253**	**206 018**	**188 602**	**4 248**	**192 850**

Note 3 – Discontinued operations and assets held for sale

As of 30 June 2018, the Group has classified the disposal groups Financial Services, consisting of Telenor Banka in Serbia and Telenor Microfinance Bank in Pakistan, and Central and Eastern Europe as discontinued operations and held for sale. Details from each disposal group are described below. Telenor India was disposed 14 May 2018.

The results of all disposals group, including Telenor India for its period as part of the Group for the second quarter of 2017 and 2018, the first half year of 2017 and 2018, and the year 2017 are as follows:

	Second quarter		First half year		Year
(NOK in millions)	2018	2017	2018	2017	2017
Revenue	3 552	4 411	7 400	8 587	17 059
EBITDA	781	1 104	1 621	2 098	4 002
EBIT	785	689	1 175	1 285	2 290
Profit before tax	**713**	**632**	**1 061**	**1 284**	**2 147**
Income taxes	(102)	(112)	(190)	(177)	(363)
Profit after tax	**611**	**520**	**871**	**1 107**	**1 784**

The major classes of assets and liabilities of the disposal groups classified as held for sale as of 30 June:

(NOK in millions)	30 June 2018
Assets	
Property, Plant and Equipment	4 402
Goodwill	11 470
Intangible assets	4 265
Other non-current assets	849
Inventory	314
Trade and other receivables	5 811
Cash and cash equivalents	1 955
Total assets classified as held for sale	**29 066**
Liabilities	
Non-current liabilities	2 362
Current liabilities	6 729
Total liabilities held for sale	**9 091**

Central and Eastern Europe (CEE)

On 20 March 2018 Telenor entered into an agreement to sell its assets in CEE to PPF Group for EUR 2.8 billion (around NOK 26.6 billion) on an enterprise value basis.

The transaction includes Telenor's wholly-owned mobile operations in Hungary, Bulgaria, Montenegro and Serbia and the technology service provider Telenor Common Operation. The CEE operations contributed approximately 9% of Telenor Group's revenues and 8% of EBITDA in 2017, and have more than 9 million customers and around 3,500 employees.

The transaction requires necessary regulatory approval. The transaction is expected to be completed within Q3 2018. With effect from first quarter 2018, the CEE operations are classified as asset held for sale and discontinued operations in Telenor Group's financial reporting. The comparative numbers for the income statement are represented. Based on exchange rates as of 30 June 2018, the transaction is estimated to result in a gain after tax of around NOK 3 billion.

The results of the CEE operations for the second quarter of 2017 and 2018, the first half year of 2017 and 2018, and the year 2017 are as follows:

	Second quarter		First half year		Year
(NOK in millions)	2018	2017	2018	2017	2017
Revenue	2 969	2 815	5 872	5 394	11 473
EBITDA	1 152	1 049	2 213	1 951	4 122
EBIT	1 165	649	1 787	1 170	2 522
Profit before tax	**1 169**	**649**	**1 797**	**1 173**	**2 482**
Income taxes	(100)	(101)	(185)	(163)	(339)
Profit after tax	**1 070**	**548**	**1 612**	**1 010**	**2 143**

The major classes of assets and liabilities of the CEE operations classified as held for sale as of 30 June are as follows:

(NOK in millions)	30 June 2018
Assets	
Property, Plant and Equipment	4 290
Goodwill	11 439
Intangible assets	4 223
Other non-current assets	209
Inventory	314
Trade and other receivables	3 391
Cash and cash equivalents	750
Total assets classified as held for sale	**24 616**
Liabilities	
Non-current liabilities	576
Current liabilities	2 440
Total liabilities held for sale	**3 016**

Financial Services

On 13 March 2018 the Group reached a strategic partnership agreement with Ant Financial Services Group ("Ant Financial") in Pakistan, where Ant Financial will invest over a two years period USD 184.5 million for a 45% stake in Telenor Microfinance Bank ("TMB"), a subsidiary of Telenor Group. The investment will be partly capital injection and partly consideration for sale of shares.

The first part of the transaction is expected to close within 12 months after the date of entering into the agreement with Ant Financial and will result in a joint venture between Ant Financial and Telenor. With effect from first quarter 2018, Telenor Microfinance Bank has been classified as held for sale in the Group's statement of financial position.

On 15 June 2018, the Group entered into an agreement to sell 100% of the shares in Telenor Banka to PPF Group. The acquisition of Telenor Banka by PPF Group requires necessary regulatory approvals. The transaction is expected to be completed within 2018.

Telenor Microfinance Bank together with Telenor Banka, which was classified as held for sale from third quarter 2017, are classified as discontinued operations in our income statement and comparative numbers are represented. Telenor Microfinance Bank and Telenor Banka are the main contributors to the operational segment Financial Services, disclosed as part of other units in the Group's segment reporting.

The results of the Financial Services classified as discontinued operations for the second quarter of 2017 and 2018, the first half year of 2017 and 2018, and the year 2017 are as follows:

	Second quarter		First half year		Year
(NOK in millions)	2018	2017	2018	2017	2017
Revenue	330	330	635	618	1 240
EBITDA	(184)	41	(172)	57	(33)
EBIT	(184)	28	(183)	34	(131)
Profit before tax	**(183)**	**28**	**(182)**	**36**	**(128)**
Income taxes	(3)	(11)	(5)	(13)	(24)
Profit after tax	**(186)**	**17**	**(187)**	**23**	**(152)**

The major classes of assets and liabilities of Financial Services classified as held for sale as of 30 June are as follows:

(NOK in millions)	30 June 2018
Assets	
Property, Plant and Equipment	113
Goodwill	31
Intangible assets	43
Other non-current assets	639
Inventory	-
Trade and other receivables	2 420
Cash and cash equivalents	1 204
Total assets classified as held for sale	**4 450**

Liabilities	
Non-current liabilities	11
Current liabilities	4 289
Total liabilities held for sale	**4 300**

Telenor India
On 23 February 2017, Telenor announced that it had entered into an agreement with Bharti Airtel Limited (Airtel), whereby Airtel would take full ownership of Telenor India. Following regulatory approvals the agreement was completed 14 May 2018. There were no gains or losses recognised following the disposal.

As previously communicated, the exposure to claims from the Department of Telecommunications related to the period Telenor owned the business remains with Telenor. The fair value of this guarantee has been recognised as of closing date at an amount of NOK 1.8 billion. The liability is classified as held for sale and future changes to the estimate will be recognised on the discontinued operation line in the income statement.

The results of Telenor India for the second quarter of 2017 and 2018, the first half year of 2017 and 2018, and the year 2017 are as follows:

	Second quarter		First half year		Year
(NOK in millions)	2018	2017	2018	2017	2017
Revenue	253	1 267	893	2 575	4 346
EBITDA	(187)	14	(420)	90	(86)
EBIT	(196)	12	(429)	80	(100)
Profit before tax	**(273)**	**(45)**	**(555)**	**75**	**(207)**
Income taxes	-	-	-	-	-
Profit after tax	**(273)**	**(45)**	**(555)**	**75**	**(207)**

(NOK in millions)	30 June 2018
Liabilities	
Non-current liabilities	1 775
Current liabilities	-
Total liabilities held for sale	**1 775**

Note 4 – Interest-bearing liabilities
In 2016, Telenor placed USD 1,000 million aggregate principal amount of senior, unsecured bonds (the "Bonds") exchangeable into VEON ADSs. See notes 12 and 27 in the Annual Report 2017 for further information.

As of the second quarter of 2018, each USD 200,000 bond is exchangeable for 47,186 VEON ADSs (adjusted for VEON dividend and subject to further adjustments), which represents an exchange price of approximately USD 4.24. The initial exchange price represented a 40% premium to the reference equity offering price of USD 3.50 per ADS. Underlying the exchangeable bonds are approximately 236 million VEON ADSs (subject to certain adjustments), corresponding to approximately 13.4% of VEON's total share capital.

Upon the maturity of the Bonds, the Issuer may redeem each USD 200,000 bond that has not been previously exchanged by paying cash, by transferring up to 70,779 ADSs (150% of 47,186 ADS underlying each bond) or by paying and transferring a mix of cash and ADSs, in each case with a market value of USD 200,000.

Fair value of interest-bearing liabilities recognised at amortised cost:

	30 June 2018	
NOK in millions	Carrying amount	Fair value
Interest-bearing liabilities	(71 896)	(75 096)
of which fair value level 1		(47 811)
of which fair value level 2		(27 285)

	31 December 2017	
	Carrying amount	Fair value
Interest-bearing liabilities	(74 296)	(77 327)
of which fair value level 1		(58 556)
of which fair value level 2		(18 771)

	30 June 2017	
	Carrying amount	Fair value
Interest-bearing liabilities	(78 006)	(80 949)
of which fair value level 1		(57 440)
of which fair value level 2		(23 509)

Note 5 –Fair value of financial instruments
Financial derivatives are recognised at fair value based on observable market data (level 2). See note 29 in the Annual Report 2017 for valuation methodologies. The financial derivatives are classified in the consolidated statement of financial position as disclosed in the table:

NOK in millions	30 June 2018	31 December 2017	30 June 2017
Other non-current assets	2 222	2 430	2 087
Other current financial assets	403	707	559
Non-current non-interest-bearing liabilities	(1 166)	(953)	(1 453)
Non-current interest-bearing liabilities	(3)	-	-
Current non-interest-bearing liabilities	(261)	(1 793)	(2 218)
Current interest-bearing liabilities	-	-	(12)
Total	**1 195**	**391**	**(1 037)**

Note 6 – Legal disputes
Telenor Norge AS
The Norwegian Competition Authority (NCA) carried out an inspection of Telenor Norge AS on 4-13 December 2012 based on suspected abuse of dominant position concerning Telenor Norway's mobile operation.

On 23 November 2016, NCA sent a Statement of Objection setting out its preliminary assessment of Telenor's behaviour in the mobile market. The preliminary allegations from the NCA was that it considered imposing a fine of NOK 906 million against Telenor for a historical breach of the prohibition against abuse of a dominant position related two different issues; the pricing model in one wholesale agreement and double- roaming prohibition in four other wholesale agreements. NCA was concerned for the roll-out of the third mobile network in Norway.

The Norwegian Competition Authority has now finalized the investigation and issued on 21 June 2018 a decision where it concludes that Telenor abused its dominant position in the period 2010-2014 for the pricing model in one mobile wholesale agreement. The fine is set at NOK 788 million. Telenor will appeal the decision to the Competition Complaint Board (Konkurranseklagenemnden). The deadline for appeal is 6 months starting from the date of the decision. As for the double-roaming issues, the NCA has changed their position and closed the investigation without finding an infringement of the competition rules.

Note 7 – Equity information

Dividend
On 2 May 2018 the Annual General Meeting approved a dividend of NOK 8.10 to be paid out in two tranches of NOK 4.20 and NOK 3.90 on 15 May 2018 and 1 November 2018 respectively. The first tranche of NOK 4.20 was paid out on 15 May 2018, with ex-dividend date of 3 May 2018. The second tranche of NOK 3.90 will have ex-dividend date of 18 October 2018.

In addition to the ordinary dividend, the Annual General Meeting authorised the Board of Directors to decide further distribution of dividends if the agreement for the divestment of Telenor's mobile business in Central Eastern Europe announced on 21 March 2018 is completed, limited to a maximum aggregate amount of NOK 7 billion. The Board of Directors has the intention to decide such additional dividends as soon as practicable after completion.

Finalisation of share buyback program
At the Annual General Meeting 2 May 2018, the share buyback program approved by the Annual General Meeting in 2017 was finalised by cancellation of 13,810,438 own shares and redemption of 16,189,561 shares owned by the Norwegian Government by the Ministry of Trade and Fisheries against a payment of an amount of NOK 2,733 million to the Ministry of Trade and Fisheries. Concequently the share capital has decreased to NOK 8,828,748,186 divided into 1,471,458,031 shares, each with a nominal amount of NOK 6.

Note 8 – Events after the reporting period

dtac – Thailand
On 16 July 2018, the Board of Directors of Total Access Communication Public Company Limited (dtac) declared interim divided for 2018 of THB1.01 per share which corresponds to approximately NOK 0.6 billion total dividend and approximately NOK 0.4 for Telenor ownership share.

Digi – Malaysia
On 12 July 2018, the Board of Directors of Digi declared the second interim dividend for 2018 of MYR 0.049 per share, which corresponds to approximately NOK 0.8 billion total dividend and approximately NOK 0.4 billion for Telenor ownership share.

Grameenphone – Bangladesh
On 15 July 2018, the Board of Directors of Grameenphone Ltd. declared interim dividend for 2018 og BDT 12.5 per share, which corresponds to approximately NOK 1.6 billion total dividend and approximately NOK 0.9 billion for Telenor ownership share.

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

Telenor Capture AS, previously reported as part of Other units, is now reported as part of Telenor Norway. Telenor Capture AS delivers apps like MyTelenor and MyContacts. The segment information for 2017 has been restated to reflect this.

The segment information is reported in accordance with the reporting to Group Executive Management (chief operating decision makers) and is consistent with financial information used for assessing performance and allocating resources. For the period 2017 and 2018 the accounting principles as applied in the financial statements for 2017 are used, meaning the effect of IFRS 15 in 2018 is excluded in the segment reporting.

The operations

Second quarter

	Total revenues			of which internal		EBITDA before other income and other expenses[1]				Investments[2]	
(NOK in millions)	2018	2017 Restated	Growth	2018	2017 Restated	2018	Margin	2017 Restated	Margin	2018	2017 Restated
Norway	6 483	6 476	0.1%	133	102	2 742	42.3%	2 847	44.0%	928	1 568
Sweden	3 042	3 139	(3.1%)	15	14	978	32.1%	1 009	32.1%	301	538
Denmark	1 273	1 288	(1.2%)	25	20	288	22.6%	234	18.1%	85	304
dtac - Thailand	4 717	4 818	(2.1%)	19	22	1 903	40.3%	1 972	40.9%	754	1 022
Digi - Malaysia	3 217	3 049	5.5%	3	7	1 515	47.1%	1 408	46.2%	536	455
Grameenphone - Bangladesh	3 110	3 432	(9.4%)	-	-	1 883	60.6%	2 102	61.2%	428	343
Pakistan	1 928	2 113	(8.7%)	76	33	956	49.6%	1 017	48.1%	252	298
Myanmar	1 659	1 734	(4.3%)	48	59	727	43.8%	836	48.2%	236	732
Broadcast	1 516	1 547	(2.0%)	56	61	510	33.6%	529	34.2%	77	95
Other units	1 969	1 944	1.3%	1 054	890	(58)	nm	(267)	nm	65	1 925
Eliminations	(1 430)	(1 209)	nm	(1 430)	(1 209)	(143)	nm	(82)	nm	-	(13)
Group (IAS18)	**27 485**	**28 332**	**(3.0%)**	**-**	**-**	**11 300**	**41.1%**	**11 605**	**41.0%**	**3 662**	**7 268**
IFRS15 adjustments	18	-	nm	-	-	38	nm	-	nm	-	-
Group (IFRS15)	**27 503**	**28 332**	**(2.9%)**	**-**	**-**	**11 337**	**41.2%**	**11 605**	**41.0%**	**3 662**	**7 268**

[1] The segment profit is EBITDA before other income and other expenses.

[2] Investments consist of capex and investments in businesses.

First half year

	Total revenues			of which internal		EBITDA before other income and other expenses[1]				Investments[2]	
(NOK in millions)	2018	2017 Restated	Growth	2018	2017 Restated	2018	Margin	2017 Restated	Margin	2018	2017 Restated
Norway	12 803	12 717	0.7%	216	191	5 507	43.0%	5 426	42.7%	1 648	2 723
Sweden	6 235	6 195	0.7%	25	25	2 047	32.8%	1 929	31.1%	602	845
Denmark	2 507	2 537	(1.2%)	47	40	536	21.4%	456	18.0%	179	412
dtac - Thailand	9 498	9 569	(0.7%)	40	51	3 976	41.9%	3 629	37.9%	1 369	2 098
Digi - Malaysia	6 408	6 037	6.1%	5	12	2 990	46.7%	2 762	45.7%	898	823
Grameenphone - Bangladesh	6 061	6 709	(9.7%)	-	-	3 585	59.1%	4 005	59.7%	2 405	822
Pakistan	3 700	4 141	(10.7%)	112	61	1 800	48.7%	2 005	48.4%	499	699
Myanmar	3 213	3 484	(7.8%)	104	127	1 394	43.4%	1 582	45.4%	442	1 002
Broadcast	3 005	3 035	(1.0%)	114	113	1 014	33.7%	990	32.6%	148	189
Other units	3 966	3 925	1.0%	2 134	1 802	(106)	nm	(491)	nm	191	2 135
Eliminations	(2 798)	(2 423)	nm	(2 798)	(2 423)	(134)	nm	(183)	nm	nm	(13)
Group (IAS18)	**54 597**	**55 928**	**(2.4%)**	**-**	**-**	**22 608**	**41.4%**	**22 110**	**39.5%**	**8 381**	**11 738**
IFRS 15 adjustments	55	-	-	-	-	69	nm	-	nm	-	-
Group (IFRS15)	**54 653**	**55 928**	**(2.3%)**	**-**	**-**	**22 677**	**41.5%**	**22 110**	**39.5%**	**8 381**	**11 738**

Reconciliation

	Second quarter		First half year		Year
(NOK in millions)	2018	2017	2018	2017	2017
EBITDA	**10 962**	**11 916**	**22 127**	**22 287**	**44 828**
Other income	9	509	46	585	1 306
Other expenses	(384)	(199)	(597)	(408)	(1 172)
EBITDA before other income and other expenses	**11 337**	**11 605**	**22 677**	**22 110**	**44 694**

Responsibility statement

We confirm that, to the best of our knowledge, the condensed consolidated interim financial statements for the first half of 2018, which have been prepared in accordance with IFRS as adopted by EU and IAS 34 Interim Financial Reporting, give a true and fair view of the Company's consolidated assets, liabilities, financial position and results of operations. To the best of our knowledge, the interim report for the first half of 2018 includes a fair review of important events that have occurred during the period and their impact on the condensed financial statements, the principal risks and uncertainties for the remaining half of 2018, and major related party transactions.

Fornebu, 16 July 2018

Gunn Wærsted
Chair

Jørgen Kildahl
Vice Chair of the Board

Jon Erik Reinhardsen
Board member

Jacob Aqraou
Board member

Grethe Viksaas
Board member

Sally Davis
Board member

Roger Rønning
Board member

René Richard Obermann
Board member

Sabah Qayyum
Board member

Harald Stavn
Board member

Sigve Brekke
President & CEO

Definitions

Alternative Performance Measures

Telenor Group's financial information is prepared in accordance with international financial reporting standards (IFRS). In addition it is management's intent to provide alternative performance measures that are regularly reviewed by management to enhance the understanding of Telenor's performance, but not instead of, the financial statements prepared in accordance with IFRS. The alternative performance measures presented may be determined or calculated differently by other companies.

The principles for measurement of the alternative performance measures are in accordance with the principles used both for segment reporting in Note 7 and internal reporting to Group Executive Management (chief operating decision makers) and are consistent with financial information used for assessing performance and allocating resources.

Organic revenue growth

Organic revenue is defined as revenue adjusted for the effects of acquisition and disposal of operations and currency effects. We believe that the measure provides useful and necessary information to investors and other related parties for the following reasons:
- it provides additional information on underlying growth of the business without the effect of certain factors unrelated to its operating performance;
- it is used for internal performance analysis; and
- it facilitates comparability of underlying growth with other companies (although the term "organic" is not a defined term under IFRS and may not, therefore, be comparable with similarly titled measures reported by other companies).

Reconciliation

(NOK in millions)	Change second quarter 2018	Change YoY	Change second quarter 2017	Change YoY	Change first half year 2018	Change YTD
Reported revenue growth	(847)	(3.0%)	432	1.5%	(1 330)	(2.4%)
Impact using exchange rates for 2018	714		129		954	
M&A	(141)		5		(309)	
Organic revenue growth	**(274)**	**(1.0%)**	**565**	**2.1%**	**(686)**	**(1.2%)**

Organic subscription and traffic revenue growth

Subscription and traffic revenues consist of revenues from mobile subscription and traffic, fixed telephony, fixed Internet/TV, fixed data services and Canal Digital DTH.

Organic subscription and traffic revenues are defined as subscription and traffic revenues adjusted for the effects of acquisition and disposal of operations and currency effects. We believe that the measure provides useful and necessary information to investors and other related parties for the following reasons:
- it refers to the core revenue streams of the business making up more than 75% of total revenues and almost the entire gross profit for the Group;
- it provides additional information on underlying growth of the business within these core revenue streams, without the effect of certain factors unrelated to its operating performance;
- it is used for internal performance analysis; and
- it facilitates comparability of underlying growth with other companies (although neither "subscription and traffic revenues" nor the term "organic" are defined terms under IFRS and may not, therefore, be comparable with similarly titled measures reported by other companies).

Reconciliation

(NOK in millions)	Change second quarter 2018	Change YoY	Change second quarter 2017	Change YoY	Change first half year 2018	Change YTD
Reported subscription and traffic revenue growth	(496)	(2.3%)	498	2.3%	(541)	(1.3%)
Impact using exchange rates for 2018	591		129		822	
M&A	-		-		-	
Organic subscription and traffic revenue growth	**95**	**0.4%**	**628**	**3.0%**	**281**	**0.7%**

Subscription and traffic revenues

	Second quarter		First half year		Year
(NOK in millions)	2018	2017	2018	2017	2017
Mobile subscription and traffic	17 529	17 969	34 747	35 238	70 290
Fixed telephony	390	494	812	1 020	1 942
Fixed Internet/TV	2 233	2 179	4 462	4 312	8 873
Fixed data services	164	183	329	343	697
Canal Digital DTH	1 129	1 141	2 252	2 230	4 513
Subscription and traffic revenues	**21 445**	**21 966**	**42 602**	**43 143**	**86 314**
Other revenues	6 039	6 366	11 995	12 785	25 755
Total revenues	**27 485**	**28 332**	**54 597**	**55 928**	**112 069**

Operating expenditures (opex)

Operating expenditures (opex) is a key financial parameter for Telenor and is derived directly from the income statement, consisting of salaries and personnel cost and other operating expenses. Telenor's continuously effort to improve efficiencies makes opex a key financial parameter to follow. It is also used for internal performance analysis.

Reconciliation

(NOK in millions)	Second quarter 2018	Second quarter 2017	First half year 2018	First half year 2017	Year 2017
Salaries and personnel cost	(2 770)	(2 828)	(5 561)	(5 787)	(11 412)
Other operating expenditures	(6 916)	(7 328)	(13 715)	(14 747)	(29 034)
Operating expenditures	**(9 686)**	**(10 156)**	**(19 276)**	**(20 534)**	**(40 446)**

EBITDA before other income and other expenses

Earnings before interest, tax, depreciations and amortisations (EBITDA) is a key financial parameter for Telenor. EBITDA before other income and other expenses is defined as EBITDA less gains and losses on disposals of fixed assets and operations, workforce reductions, onerous contracts and one-time pension costs, and is reconciled in the section Group overview. This measure is useful to users of Telenor's financial information in evaluating operating profitability on a more variable cost basis as it excludes depreciations and amortisation expense related primarily to capital expenditures and acquisitions that occurred in the past, non-recurring items, as well as evaluating operating performance in relation to Telenor's competitors.

The EBITDA margin presented is defined as EBITDA before other income and other expenses divided by total revenues.

Organic EBITDA growth

Organic EBITDA growth is defined as EBITDA (before other income and other expenses) adjusted for the effects of acquisition and disposal of operations and currency effects. We believe that the measure provides useful and necessary information to investors, and other related parties for the following reasons:

- it provides additional information on underlying growth of the business without the effect of certain factors unrelated to its operating performance;
- it is used for internal performance analysis.

Reconciliation

(NOK in millions)	Change second quarter 2018	Change YoY	Change second quarter 2017	Change YoY	Change first half year 2018	Change YTD
Reported EBITDA growth	(306)	(2.6%)	1 229	11.8%	499	2.3%
Impact using exchange rates for 2018	368		78		585	
M&A	(11)		7		(6)	
Organic EBITDA growth	**51**	**0.5%**	**1 314**	**12.8%**	**1 077**	**5.0%**

Capital expenditures

Capital expenditures (capex) are investments in tangible and intangible assets, excluding business combinations and asset retirement obligations. Capex is a measure of investments made in the operations in the relevant period and is useful to users of Telenor's financial information in evaluating the capital intensity of the operations. Capex is deemed to better gauge the actual investments committed in the period than in the purchases of property, plant and equipment (PPE) and intangible assets in the cash flow statement.

(NOK in millions)	Second quarter 2018	Second quarter 2017	First half year 2018	First half year 2017	Year 2017
Purchases of PPE and intangible assets (cash flow statement)	3 531	5 178	9 087	11 099	20 726
Working capital movement in respect of capital expenditure	1 627	468	940	(912)	940
Less:					
Asset retirement obligations	(1 500)	(2)	(1 523)	(10)	(377)
Discontinued operations	7	(266)	(152)	(413)	(983)
Capital expenditures	**3 666**	**5 378**	**8 352**	**9 764**	**20 307**
Licence and spectrum fee - capitalized	(247)	(1 252)	(1 863)	(1 252)	(3 052)
Capital expenditures excluding licence and spectrum fee	**3 418**	**4 126**	**6 489**	**8 512**	**17 255**
Revenue	27 485	28 332	54 597	55 928	112 069
Capex excl. Licences and spectrum/Revenues (%)	**12.4%**	**14.6%**	**11.9%**	**15.2%**	**15.4%**

Investments in business (business combinations)

Investments in businesses comprise acquisitions of shares and participations, including acquisitions of subsidiaries and businesses not organised as separate companies.

Net interest-bearing debt excluding licence obligations (Net debt)

Net debt consists of both current and non-current interest-bearing liabilities, excluding licence obligations, less related current and non-current hedging instruments, financial instruments, such as debt instruments and derivatives, and cash and cash equivalents.

Net debt is a measure of the Group's net indebtedness that provides an indicator of the overall balance sheet strength. It is also a single measure that can be used to assess both the Group's cash position and its indebtedness. The use of the term 'net debt' does not necessarily mean that the cash included in the net debt calculation is available to settle the liabilities included in this measure.

Net debt is considered to be an alternative performance measure as it is not defined in IFRS. The most directly comparable IFRS measure is the aggregate interest-bearing liabilities (both current and non-current) and cash and cash equivalents. A reconciliation from these to net debt is provided below.

(NOK in millions)	30 June 2018	31 December 2017	30 June 2017
Non-current interest-bearing liabilities	46 327	51 587	51 380
Current interest-bearing liabilities	25 569	22 710	26 626
Less:			
Cash and cash equivalents	(18 578)	(22 546)	(20 635)
Adjustments:			
Licence obligations	(2 250)	(2 257)	(2 788)
Hedging instruments	(1 379)	(1 777)	(1 653)
Financial instruments	(346)	(849)	(1 033)
Net interest-bearing debt excluding licence obligations	**49 343**	**46 868**	**51 896**

Free cash flow

Free Cash Flow is defined as net cash flow from operating activities plus net cash flow from investing activities, lower dividends paid to and purchases of shares from non-controlling interest, payments in Supply Chain Financing programmes (classified as repayments of borrowings) and payments on interest-bearing licence obligations.

Free Cash Flow is a useful measure of Telenor's liquidity and ability to generate cash through operations.

Reconciliation

	Second quarter		First half year		Year
(NOK in millions)	2018	2017	2018	2017	2017
Net cash flows from operating activities	8 756	11 294	17 363	20 151	40 723
Net cash flows from investing activities	(4 387)	(154)	(9 896)	(6 069)	(12 075)
Repayments of borrowings - licence obligations	(410)	(292)	(410)	(441)	(973)
Repayments of borrowings - supply chain financing	75	25	(91)	(259)	(221)
Dividends paid to and purchase of shares from non-controlling interest	(1 021)	(926)	(1 379)	(1 269)	(2 586)
Free cash flow	**3 012**	**9 947**	**5 587**	**12 113**	**24 867**

Mobile operations

Revenues

Mobile 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 'Mobile 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, traffic charges and connection fees for xDSL, cable and fibre, in addition to revenues from TV services. High-speed fixed internet include fibre, cable and VDSL.

Data services
Consist of Nordic Connect/IP-VPN 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 consists of PSTN, ISDN and VoIP subscriptions. Internet consists of broadband access over xDSL, fibre and cable. 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 and households in SMATV networks.

Satellite

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 telenor group

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