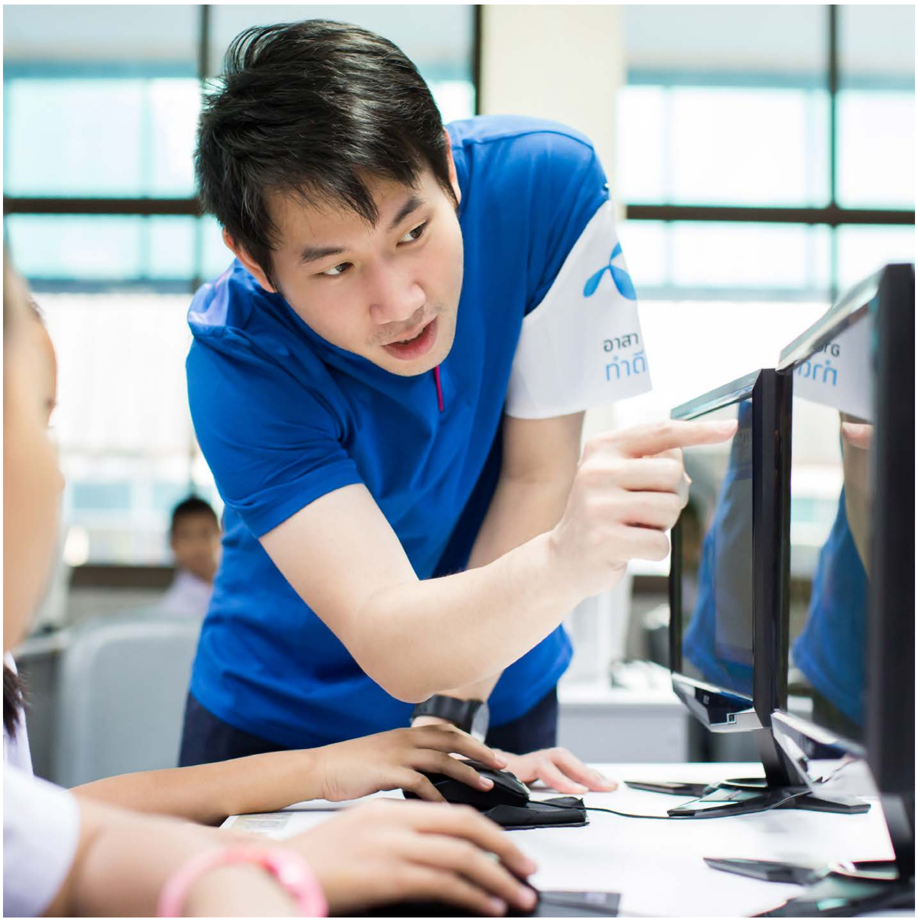

Q2 – 2019

Interim report
January – June 2019

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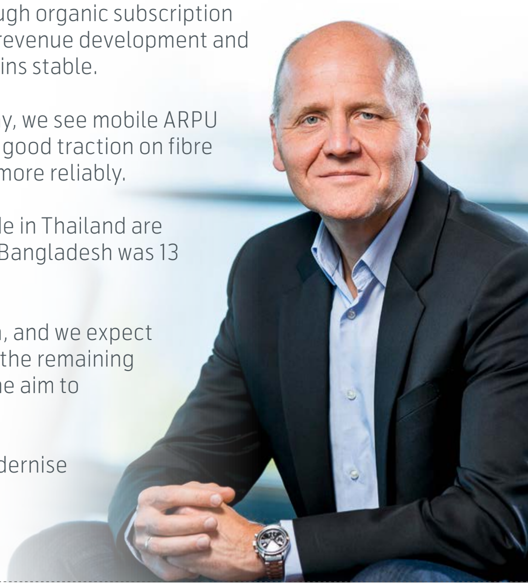
Halfway through 2019, strategic direction confirmed



The strategic agenda we initiated two years ago continued to bear fruit in the second quarter. Although organic subscription and traffic revenues declined by 1 percent, the EBITDA margin was 40 percent, and we saw positive revenue development and effects from efficiency and modernisation programmes. Our underlying financial performance remains stable.

Across our markets, results show that the momentum set at the start of the year continues. In Norway, we see mobile ARPU growth of 2 percent. Preparations for 5G are ongoing through pilots and network upgrades. There is good traction on fibre roll-out and copper infrastructure replacement, which will enable customers to connect faster and more reliably.

In Thailand and Myanmar, we have seen improved revenue growth during the year. Investments made in Thailand are showing results, building a foundation for future growth. Subscription and traffic revenue growth in Bangladesh was 13 percent. During the quarter, 2.3 million new customers joined our networks globally.

Our acquisition of a majority stake in Finland's DNA has been approved by the European Commission, and we expect completion of the deal in August. Following completion, we will launch a mandatory tender offer for the remaining shares in the company. In Asia, we continue to work on the potential combination with Axiata, with the aim to finalise an agreement within the third quarter of 2019.

Throughout the remaining half of the year, we will maintain operational momentum, continue to modernise our networks and create value for customers and shareholders.

– Sigve Brekke, President and CEO

Key figures Telenor Group

(NOK in millions)	Second quarter 2019	Second quarter 2018	First half year 2019	First half year 2018	Year 2018	First half year 2019 IFRS 16
Revenues	28 027	27 503	55 737	54 653	110 362	55 607
Organic revenue growth (%)	0.6	(1.0)	0.5	(1.2)	(0.6)	
Subscription and traffic revenues	21 526	21 337	42 969	42 353	84 825	42 969
Organic subscription and traffic revenue growth (%)	(0.7)	0.4	(0.4)	0.7	0.2	
EBITDA before other income and other expenses	11 087	11 337	22 262	22 677	45 451	24 736
Organic EBITDA growth (%)	(3.8)	0.5	(3.7)	5.0	3.2	
EBITDA before other income and other expenses/Revenues (%)	39.6	41.2	39.9	41.5	41.2	44.5
Net income attributable to equity holders of Telenor ASA	3 095	2 645	6 977	7 637	14 731	6 705
Capex excl. licences and spectrum	4 102	3 420	8 145	6 489	16 776	
Total Capex	4 109	3 666	8 151	8 352	31 245	
Free cash flow	(891)	3 012	1 562	5 587	31 989	
Mobile subscriptions – Change in quarter/Total (mill.)	2.3	2.1	178	172	174	

Second quarter 2019 summary[1)]

- Total reported revenues were NOK 28.0 billion, which is an increase of 2%. Subscription and traffic revenues decreased by 1% on an organic basis in the second quarter.
- Currency adjusted gross profit declined by NOK 0.2 billion in the quarter, while reported gross profit increased by NOK 0.1 billion.
- Currency adjusted opex decreased by NOK 0.1 billion or 1%, excluding a provision in Bangladesh. Reported opex increased by NOK 0.3 billion or 3%.
- EBITDA before other items was NOK 11.1 billion with an EBITDA margin of 40%. When adjusting for the provision in Bangladesh, EBITDA decreased by 1% on an organic basis.
- Net income attributable to equity holders of Telenor ASA was NOK 3.1 billion.
- Capex excluding licences and spectrum was NOK 4.1 billion, resulting in a capex to sales ratio of 15%.
- Free cash flow in the quarter was negative NOK 0.9 billion, affected by capex phasing and CAT settlement payments.
- In the second quarter, we paid out dividends of NOK 6.4 billion to our shareholders and bought back shares of in total NOK 0.8 billion.

Outlook for 2019[2)]

As previously communicated, dtac in Thailand is now included in the full-year guidance. In addition, the guidance takes into account an adjusted outlook from Digi as well as a provision in Bangladesh. Based on this and the performance so far this year, we expect subscription and traffic revenues at around the 2018 level and a low single digit EBITDA decline. Capex excluding licences and spectrum is still expected to be in the range of NOK 16-17 billion.

[1)] The key figures and summary for the second quarter of 2019 as well as the forward-looking statements are based on current Group structure and accounting standards as of 31 December 2018 unless otherwise stated. Please refer to Definitions on page 30 for descriptions of alternative performance measures.

[2)] The outlook for 2019 is based on Group structure as of 30 June 2019 and excluding M&A costs related to the acquisition of DNA and the planned merger with Axiata in Asia.

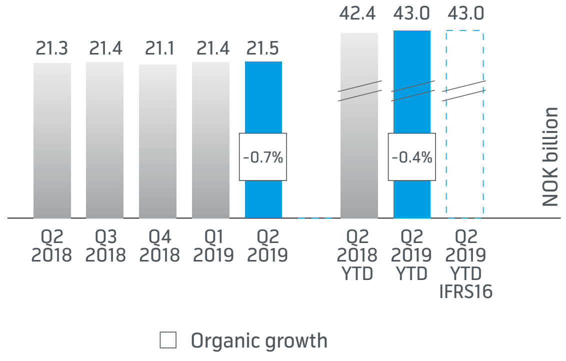
Group performance in the second quarter 2019[1)]

SUBSCRIPTION AND TRAFFIC REVENUES

Organic subscription and traffic revenue growth was negative 0.7%, partly explained by the fixed legacy decline in Scandinavia of NOK 0.3 billion. On a reported basis, the Group's growth was 0.9%.

Bangladesh delivered strong performance with further customer base expansion and ARPU improvement. In Norway, we saw continued solid development within mobile and fibre, while fixed legacy revenues on the copper network continued to decline. Good underlying growth of 9% in Pakistan was masked by the reversal of service charges, following a recent Supreme Court ruling applicable to all operators. The revenue stabilisation trends continued in Thailand and Myanmar, with month on month growth in daily revenues in both markets and 1.4 million new customers in Myanmar. In Malaysia, top-line growth remained negative with persisting pressure in the prepaid segment.

In the first half year, subscription and traffic revenues declined by 0.4% on an organic basis.

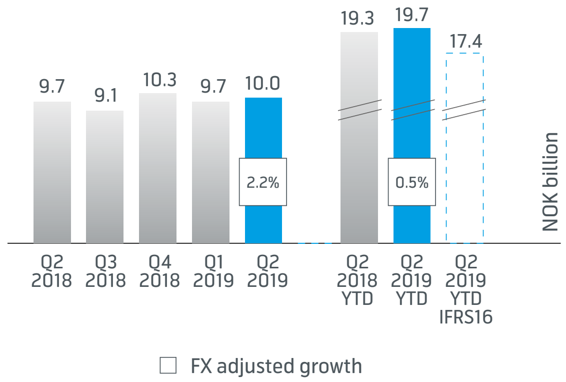


OPERATING EXPENDITURES (OPEX)

Excluding the provision of NOK 0.3 billion in Bangladesh, opex decreased by NOK 0.1 billion or 1% on a fixed currency basis. Reported opex increased by NOK 0.3 billion.

Continuous results from our simplification measures in Corporate Functions and personnel cost reductions across almost all business units, in addition to regulatory cost savings in Thailand, affect the Group's cost base positively. These improvements were partly offset by higher energy and network related costs in Asia and the CAT infrastructure lease in Thailand.

Year to date, currency adjusted opex increased by NOK 0.1 billion. Excluding the provision in Bangladesh, currency adjusted opex decreased by NOK 0.2 billion or 1%. The main positive contributors were the structural efficiency programmes within Corporate Functions and personnel cost reductions in Scandinavia, while costs in Asia increased mainly as a result of the larger network footprint. Reported opex increased by NOK 0.4 billion.

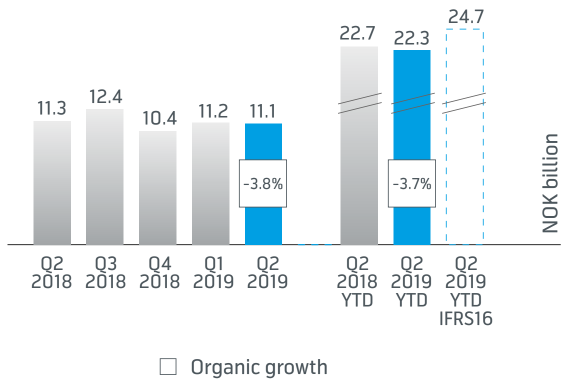


EBITDA BEFORE OTHER INCOME AND OTHER EXPENSES (EBITDA)

EBITDA for the quarter was NOK 11.1 billion, which is a decrease of 1.2% on an organic basis excluding the provision in Grameenphone. The reported EBITDA margin was 39.6%, a decrease of 1 percentage point.

Growth in Bangladesh remained strong, while underlying growth in Pakistan was offset by the service charge withdrawal. Profitability continued to improve in Corporate Functions. The negative impact from the subscription and traffic revenue decline in Thailand and Myanmar remained significant despite the upward trends. Profitability was also affected by the loss of high margin fixed legacy revenues in Scandinavia.

In the first half year, EBITDA decreased by NOK 0.4 billion to NOK 22.3 billion, with a positive currency effect of NOK 0.4 billion. The EBITDA margin was 39.9%.

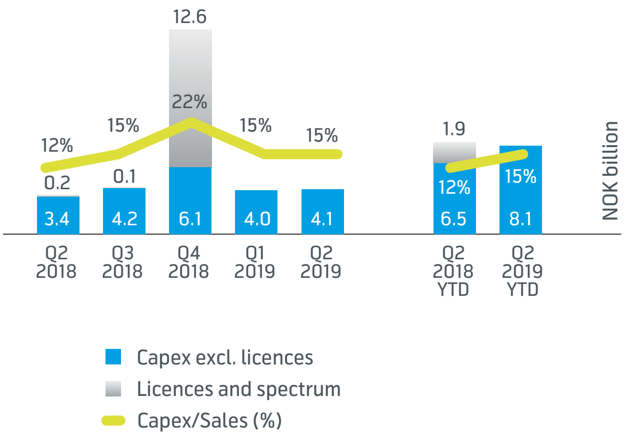


1) The comments are related to Telenor's development in the second quarter of 2019 compared to the second quarter of 2018 and are based on current Group structure and accounting standards as of 31 December 2018 unless otherwise stated. Please refer to Definitions on page 30 for descriptions of alternative performance measures.

CAPITAL EXPENDITURES (CAPEX)

Capex excluding licences and spectrum increased by NOK 0.7 billion to NOK 4.1 billion, driven by the accelerated fibre roll-out in Norway, 4G network roll-out in Malaysia as well as network expansion and site upgrades in Pakistan. Total capex was NOK 4.1 billion, which is an increase of NOK 0.4 billion.

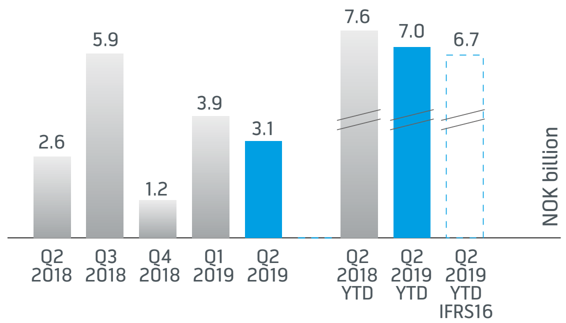
Year to date, capex excluding licences and spectrum increased by NOK 1.7 billion to NOK 8.1 billion, primarily explained by the fibre roll-out in Norway and network expansion in Thailand, Pakistan and Malaysia. The full year capex excluding licences and spectrum is expected to be on the same level as in 2018.



NET INCOME

Reported net income to equity holders of Telenor ASA in the second quarter was NOK 3.1 billion, which is an increase of NOK 0.4 billion. The improvement was primarily explained by lower net financial expenses and lower depreciations in Thailand after the end of the concession model. These effects were partly offset by higher income taxes. Specific provisions recorded this quarter in Bangladesh affected net income negatively by NOK 0.6 billion.

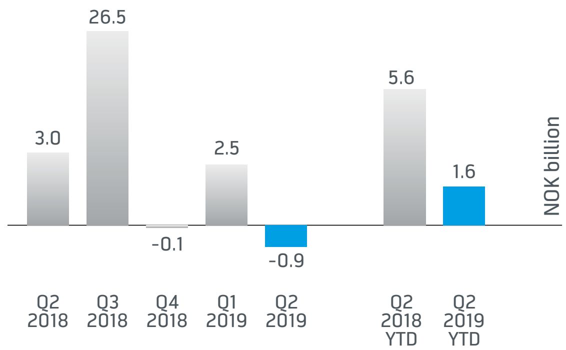
Year to date, net income to equity holders of Telenor ASA was NOK 7.0 billion. This is decrease of NOK 0.7 billion compared to the first half of 2018, when net income still included net profit from the discontinued CEE operations and net financial items were positively impacted by net currency gains. This was partly offset by lower depreciation in Thailand in 2019.



FREE CASH FLOW

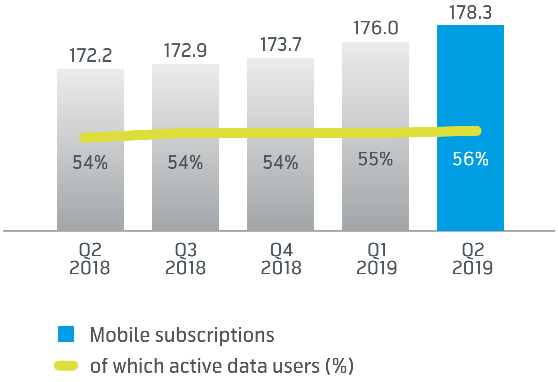
Free cash flow was negative NOK 0.9 billion in the second quarter, which is a decrease of NOK 3.9 billion compared to last year. This was primarily due to high investment levels in the first half year and the payments related to a settlement with CAT in Thailand of NOK 2.3 billion. In addition, the net cash flows from the CEE operations were still included in the Group's cash flow in the second quarter last year.

In the first half year, free cash flow was NOK 1.6 billion, a decrease of NOK 4.0 billion, largely explained by the same factors affecting the second quarter free cash flow. In addition, the Group has made higher income tax and net interest payments so far this year. Free cash flow was positively impacted by the net effect from the VEON selldown and the deconsolidation of Telenor Banka and Digital Money Myanmar (Wave Money) in the first quarter. Free cash flow before M&A activities was NOK 0.7 billion.



MOBILE SUBSCRIPTIONS

The total subscription base increased to over 178 million this quarter, as 2.3 million mobile subscriptions were added. We continued to grow our customer base in Myanmar with 1.4 million new subscriptions and added another 1.3 million in Bangladesh, in addition to 0.1 million new customers in Malaysia. This was partly offset by losses of 0.4 million in Pakistan and 0.1 million in Thailand. The share of active data users in our subscription base increased to 56%.



[1] The comments are related to Telenor's development in the second quarter of 2019 compared to the second quarter of 2018 and are based on current Group structure and accounting standards as of 31 December 2018 unless otherwise stated. Please refer to Definitions on page 30 for descriptions of alternative performance measures.

Interim report

Telenor's operations

The comments and financial figures for Telenor's segments are related to the development in the second quarter of 2019 compared to the second quarter of 2018 in local currency, unless otherwise stated, and are based on the accounting principles for the Group's segment reporting. See note 9 for further information. Please refer to Definitions on page 30 for descriptions of alternative performance measures. All comments on EBITDA are made on development in EBITDA before other income and other expenses. Please refer to page 12 for 'Specification of other income and other expenses'. Additional information is available at: www.telenor.com/ir

Norway

Telenor Norway had another solid quarter with continued ARPU growth, good momentum on fibre roll-out as well as progress on the network modernisation. During the quarter, 10,000 new fibre subscriptions were added and a Fixed Mobile Broadband product was launched, both important factors in the planned copper network decommissioning.

Mobile ARPU increased by 2%, contributing to a 1% growth in mobile subscription and traffic revenues. The loss of some public contracts as well as continued prepaid decline was partly offset by postpaid subscriber growth of 8,000 in the consumer market. In the fixed segment, growth in broadband and TV ARPU and a 20% increase in fibre revenues partly offset the continued reduction in legacy revenues. In total, this resulted in stable subscription and traffic revenues. Total revenues decreased by 3% mainly due to lower hardware sales. Gross profit decreased due to the decline in high margin fixed legacy revenues as well as higher TV content costs.

Opex remained stable. When adjusting for transferred businesses from other Group entities, opex decreased by 1% as lower network operation and sales costs were partly offset by higher project activities. EBITDA decreased by 2% and the EBITDA margin remained unchanged at 43%.

Capex in the quarter was driven by fibre roll-out, 4G expansion and IT projects. In June, we acquired a spectrum licence for 2x10 MHz in the 700 MHz frequency band. The acquisition price was NOK 180 million and will be booked in the fourth quarter when we gain the right to use the spectrum. The licence is technology neutral and valid until 31 December 2039.

	Second quarter		First half year		Year	First half year
(NOK in millions)	2019	2018	2019	2018	2018	2019 IFRS 16
Revenues mobile operation						
Subscription and traffic	2 766	2 733	5 488	5 408	10 924	5 488
Interconnect	121	135	236	267	528	236
Other mobile	246	215	507	434	932	507
Non-mobile	627	745	1 243	1 336	2 999	1 243
Total revenues mobile operation	**3 760**	**3 829**	**7 474**	**7 444**	**15 384**	**7 474**
Revenues fixed operation						
Telephony	250	309	524	640	1 237	524
Internet and TV	1 510	1 476	3 028	2 957	5 937	3 028
Data services	122	125	243	255	514	243
Other fixed	366	402	711	808	1 579	711
Total retail revenues	**2 247**	**2 312**	**4 506**	**4 660**	**9 268**	**4 506**
Wholesale	282	317	560	647	1 257	560
Total revenues fixed operation	**2 528**	**2 629**	**5 066**	**5 307**	**10 525**	**5 066**
Total revenues	**6 289**	**6 458**	**12 540**	**12 751**	**25 909**	**12 540**
Gross profit	4 927	4 984	9 855	9 939	19 867	9 861
Operating expenditures	2 210	2 218	4 389	4 408	8 863	3 967
EBITDA before other items	**2 717**	**2 766**	**5 466**	**5 531**	**11 004**	**5 894**
Operating profit	**1 665**	**1 676**	**3 322**	**3 320**	**6 508**	**3 345**
EBITDA before other items/ Total revenues (%)	43.2	42.8	43.6	43.4	42.5	47.0
Capex	1 378	924	2 357	1 644	4 399	
Investments in businesses	-	5	-	5	5	
Statistics (monthly in NOK):						
Mobile ARPU	330	323	326	319	322	
Fixed Telephony ARPU	225	233	231	236	238	
Fixed Internet ARPU	383	374	381	374	373	
TV ARPU	326	318	331	317	323	
No. of subscriptions – Change in quarter/Total (in thousands):						
Mobile	(19)	(4)	2 904	2 964	2 952	
Fixed telephony	(16)	(23)	360	432	397	
Fixed Internet	(7)	(5)	834	849	844	
TV	-	2	556	546	553	

Sweden

In Sweden, we recorded stable EBITDA development in the second quarter, managing to deliver continued cost reductions to make up for the decline in subscription and traffic revenues.

The mobile subscription base increased by 13,000 during the quarter and thus ended 2% higher than last year. Mobile subscription and traffic revenues decreased by 3% as the larger subscription base did not fully compensate for the ARPU decrease in both the large account business segment and the consumer segment. The total number of high-speed fixed internet subscriptions increased by 6,000 in the quarter to 620,000 and fixed revenues increased slightly as growth in high-speed internet revenues offset the decline from legacy products.

Solid cost control and continued execution of efficiency initiatives resulted in an opex reduction of 6% mainly driven by lower personnel and sales and marketing cost. EBITDA was stable as the continued cost reductions compensated for the fall in mobile revenues.

Capex increased by 11% and was primarily related to the IT modernisation, customer equipment and capacity upgrades.

	Second quarter		First half year		Year	First half year
(NOK in millions)	2019	2018	2019	2018	2018	2019 IFRS 16
Revenues mobile operation						
Subscription and traffic	1 401	1 460	2 863	2 987	5 918	2 863
Interconnect	131	133	259	266	521	259
Other mobile	117	101	210	191	400	210
Non-mobile	440	494	931	1 036	2 094	931
Total revenues mobile operation	**2 089**	**2 187**	**4 263**	**4 479**	**8 934**	**4 263**
Revenues fixed operation						
Telephony	36	47	76	105	187	76
Internet and TV	652	664	1 310	1 326	2 629	1 310
Data services	40	41	78	80	158	78
Other fixed	61	52	139	142	296	139
Total retail revenues	**788**	**804**	**1 603**	**1 654**	**3 271**	**1 603**
Wholesale	61	51	119	105	216	119
Total revenues fixed operation	**849**	**855**	**1 722**	**1 759**	**3 487**	**1 722**
Total revenues	**2 938**	**3 043**	**5 985**	**6 238**	**12 421**	**5 985**
Gross profit	1 917	2 000	3 849	4 081	8 015	3 992
Operating expenditures	946	1 020	1 882	2 043	3 890	1 712
EBITDA before other items	**971**	**980**	**1 966**	**2 038**	**4 125**	**2 280**
Operating profit	**614**	**633**	**1 265**	**1 370**	**2 787**	**1 273**
EBITDA before other items/ Total revenues (%)	33.0	32.2	32.9	32.7	33.2	38.1
Capex	330	301	640	602	1 965	
Statistics (monthly in NOK):						
Mobile ARPU	189	198	191	202	199	
Fixed Telephony ARPU	32	41	33	47	42	
Fixed Internet ARPU	214	210	212	214	212	
TV ARPU	144	146	143	146	145	
No. of subscriptions – Change in quarter/Total (in thousands):						
Mobile	13	(3)	2 741	2 678	2 729	
Fixed telephony	(4)	(5)	140	158	148	
Fixed Internet	2	1	685	679	684	
TV	-	(17)	477	458	480	
Exchange rate (SEK)			0.9250	0.9460	0.9359	

Denmark

In Denmark, we continued to execute our simplification programme. So far this year, this has resulted in 4% lower operating expenses. Intensified competition has affected our customer intake over the last months. In combination with the loss of a public frame agreement last year, this had visible impact on the revenue development. The mobile subscription base decreased by 12,000 in the second quarter, taking the base to 1.7 million, which is 6% below June last year. Combined with a stable mobile ARPU, this resulted in a 7% decrease in subscription and traffic revenues.

Continued cost reductions across all functions as well as better handset margins partly compensated for the revenue decline, resulting in a slightly decreased EBITDA. The EBITDA margin improved by 1 percentage point to 22%. Operating profit was lifted by a sale and lease back of an office building.

Capex in the quarter was mainly related to core network and IT.

	Second quarter		First half year		Year	First half year
(NOK in millions)	2019	2018	2019	2018	2018	2019 IFRS 16
Revenues mobile operation						
Subscription and traffic	692	730	1 405	1 470	2 937	1 405
Interconnect	58	63	114	124	246	114
Other mobile	77	57	138	101	234	138
Non-mobile	247	274	501	518	1 140	501
Total revenues mobile operation	**1 073**	**1 125**	**2 158**	**2 212**	**4 558**	**2 158**
Revenues fixed operation						
Telephony	28	34	57	67	135	57
Internet and TV	87	90	176	181	359	176
Data services	7	6	14	13	25	14
Total revenues fixed operation	**122**	**130**	**246**	**261**	**518**	**246**
Total revenues	**1 195**	**1 255**	**2 404**	**2 473**	**5 076**	**2 404**
Gross profit	765	780	1 530	1 527	3 073	1 530
Operating expenditures	500	513	1 004	1 031	2 028	905
EBITDA before other items	**265**	**267**	**526**	**496**	**1 045**	**625**
Operating profit	**306**	**36**	**347**	**39**	**119**	**230**
EBITDA before other items/ Total revenues (%)	22.2	21.3	21.9	20.1	20.6	26.0
Capex	120	85	190	179	441	
Statistics (monthly in NOK):						
Mobile ARPU – monthly (NOK)	150	149	151	149	151	
No. of subscriptions – Change in quarter/Total (in thousands):						
Mobile	(12)	(34)	1 659	1 765	1 699	
Fixed telephony	(3)	(4)	41	55	48	
Fixed Internet	(4)	(3)	115	134	123	
Exchange rate (DKK)			1.3031	1.2881	1.2875	

dtac - Thailand

In Thailand, targeted efforts to strengthen the network position and improve the customer experience started to yield results. Subscription and traffic revenues grew by more than 2% compared to the first quarter, and this was the first quarter with sequential prepaid revenue growth since 2015. Compared to the second quarter last year, subscription and traffic revenues declined by 4%.

Opex increased by 4% as lower regulatory cost was offset by higher operational and energy cost due to the expanded network, in addition to CAT lease costs. EBITDA fell by 13% in local currency or NOK 99 million on a reported basis, mainly due to the effects of the TOT agreement for 2300 MHz frequency band and lower subscription and traffic revenues.

Operating profit increased by NOK 0.6 billion, as the EBITDA decline was more than compensated by lower depreciation following the transition from a concession to a licence model.

Capex spend continued to be focused on densifying 3G and 4G networks. In total, 2300 MHz equipment is now installed on close to 16,000 sites. In June, dtac acquired 2x10 MHz in the 700 MHz frequency band for a total consideration of THB 17.6 billion to be paid in equal instalments over a 10 year period starting from the time we get the right to use the spectrum. The spectrum will be used for expanding and improving network coverage as well as for future 5G connectivity.

	Second quarter		First half year		Year	First half year
(NOK in millions)	2019	2018	2019	2018	2018	2019 IFRS 16
Revenues						
Subscription and traffic	4 137	3 944	8 148	7 833	15 570	8 148
Interconnect	148	146	292	295	587	292
Other mobile	25	54	79	110	186	79
Non-mobile	1 232	570	2 369	1 260	2 566	2 242
Total revenues	**5 541**	**4 714**	**10 888**	**9 498**	**18 908**	**10 761**
Gross profit	3 613	3 504	7 118	7 288	13 978	6 991
Operating expenditures	1 816	1 608	3 644	3 325	6 933	2 905
EBITDA before other items	**1 797**	**1 896**	**3 474**	**3 963**	**7 045**	**4 086**
Operating profit	**740**	**163**	**1 364**	**555**	**(1 225)**	**1 397**
EBITDA before other items/ Total revenues (%)	32.4	40.2	31.9	41.7	37.3	38.0
Capex	637	754	1 820	1 369	16 562	
No. of subscriptions – Change in quarter/Total (in thousands):	(93)	(200)	20 633	21 612	21 202	
ARPU – monthly (NOK)	69	63	67	62	62	
Exchange rate (THB)			0.2724	0.2497	0.2515	

Digi - Malaysia

In Malaysia, the second quarter showed an improvement from the first quarter driven by continued growth in postpaid and data revenues. However, compared to the second quarter last year, subscription and traffic revenues decreased by 4%, mainly a result of continued decline in prepaid voice. The market environment continued to be challenging, for which the realised data revenue growth could not fully compensate. The total number of mobile subscriptions increased by 0.1 million with growth in both post- and prepaid subscriptions.

Opex increased by 0.5% as a result of higher operational costs associated with the progressive network expansion and upgrades, however positively impacted by ongoing vendor renegotiations. EBITDA this quarter was positively affected by several non-recurring cost benefits mainly related to the efficiency agenda. Adjusted for these effects, the EBITDA margin was 45%.

Capex for the quarter was prioritised towards improving capacity and coverage of the 4G network.

	Second quarter		First half year		Year	First half year
(NOK in millions)	2019	2018	2019	2018	2018	2019 IFRS 16
Revenues						
Subscription and traffic	2 743	2 783	5 512	5 558	11 012	5 512
Interconnect	86	114	169	230	461	169
Other mobile	36	37	69	72	142	69
Non-mobile	362	348	640	685	1 534	640
Total revenues	**3 228**	**3 282**	**6 390**	**6 545**	**13 149**	**6 390**
Gross profit	2 582	2 542	5 106	5 055	10 041	5 113
Operating expenditures	1 008	976	2 026	1 948	3 930	1 660
EBITDA before other items	**1 574**	**1 566**	**3 080**	**3 108**	**6 111**	**3 453**
Operating profit	**1 125**	**1 115**	**2 181**	**2 195**	**4 410**	**2 170**
EBITDA before other items/ Total revenues (%)	48.8	47.7	48.2	47.5	46.5	54.0
Capex	538	536	894	898	1 649	
No. of subscriptions – Change in quarter/Total (in thousands):	112	(98)	11 364	11 659	11 660	
ARPU – monthly (NOK)	83	83	83	82	81	
Exchange rate (MYR)			2.0900	2.0122	2.0145	

Grameenphone - Bangladesh

In Bangladesh, Grameenphone continued to deliver solid growth and added 1.3 million new subscribers, passing 75 million customers. Subscription and traffic revenues increased by 13% from a 9% increase in the subscription base and a 4% increase in ARPU excluding interconnect.

In the second quarter, Grameenphone made a provision of NOK 0.3 billion related to commission payments. Despite the significant impact from the provision, reported EBITDA decreased by only 1%. Adjusted for the provision, EBITDA increased by 14% and the EBITDA margin was 62%. The strong performance was driven by the continued revenue growth and a healthy underlying opex development.

Capex was mainly related to strengthening of our network, adding more than 1,500 4G sites in the quarter. In total, 7,500 4G sites are now rolled out.

	Second quarter		First half year		Year	First half year
(NOK in millions)	2019	2018	2019	2018	2018	2019 IFRS 16
Revenues						
Subscription and traffic	3 466	2 848	6 814	5 552	11 937	6 814
Interconnect	172	202	337	401	751	337
Other mobile	3	2	7	3	13	7
Non-mobile	42	58	95	105	210	95
Total revenues	**3 683**	**3 110**	**7 253**	**6 061**	**12 910**	**7 253**
Gross profit	3 471	2 943	6 838	5 735	12 199	6 838
Operating expenditures	1 479	1 072	2 684	2 169	4 392	2 518
EBITDA before other items	**1 992**	**1 871**	**4 154**	**3 566**	**7 807**	**4 321**
Operating profit	**1 452**	**1 328**	**3 034**	**2 437**	**5 563**	**3 079**
EBITDA before other items/ Total revenues (%)	54.1	60.2	57.3	58.8	60.5	59.6
Capex	363	436	788	2 412	3 300	
Investments in businesses	-	(8)	-	(8)	(8)	
No. of subscriptions – Change in quarter/Total (in thousands):	1 277	1 713	75 330	69 170	72 732	
ARPU – monthly (NOK)	16	15	16	15	15	
Exchange rate (BDT)			0.1023	0.0948	0.0971	

Pakistan

In Pakistan, we saw healthy underlying subscription and traffic revenue growth of 9% driven by an underlying 8% increase in ARPU excluding interconnect. On 24 April, the Supreme Court lifted the temporary suspension of the telco specific taxes and Telenor Pakistan re-introduced the service fee of 10%. This fee was disallowed when the written court order was released in July. Telenor Pakistan reversed the service fee accordingly, which impacted our reported revenue growth in the second quarter. Despite the disallowance of the service fee, we see continued growth potential in Pakistan in particular from monetizing the increased data usage and subscription growth.

EBITDA decreased by 16% following the abovementioned effect on revenues, as well as 12% higher opex. The cost increase was primarily driven by increased energy prices, devaluation of the local currency and increased network footprint.

Capex in the quarter was mainly related to network roll-out, increasing the 4G population coverage to 66%.

	Second quarter		First half year		Year	First half year
(NOK in millions)	2019	2018	2019	2018	2018	2019 IFRS 16
Revenues						
Subscription and traffic	1 317	1 527	2 792	2 996	6 107	2 792
Interconnect	210	304	403	552	1 109	403
Other mobile	6	5	11	10	21	11
Non-mobile	56	95	126	149	255	126
Total revenues	**1 589**	**1 931**	**3 332**	**3 707**	**7 492**	**3 332**
Gross profit	1 343	1 638	2 822	3 151	6 885	2 825
Operating expenditures	648	672	1 267	1 321	2 589	1 071
EBITDA before other items	**695**	**966**	**1 555**	**1 830**	**4 296**	**1 754**
Operating profit	**354**	**563**	**879**	**940**	**2 749**	**906**
EBITDA before other items/ Total revenues (%)	43.8	50.0	46.7	49.4	57.3	52.6
Capex	422	252	808	499	1 157	
No. of subscriptions – Change in quarter/Total (in thousands):	(408)	602	43 851	43 249	43 530	
ARPU – monthly (NOK)	12	14	12	14	14	
Exchange rate (PKR)			0.0604	0.0695	0.0671	

Myanmar

In Myanmar, the signs of stabilisation observed in the first quarter continued into the second quarter. We saw persisting strong demand for our services and the customer base expanded by 1.4 million subscriptions to an all-time high level of 19.8 million. 64% of the customers are now active data users, with an average data usage of 3 GB per month.

Compared to the first quarter this year, subscription and traffic revenues increased by 10% driven by a growing customer base and attractive data offers combined with a strong network. Revenues were however down by 9% compared to second quarter last year. Adjusted for a positive vendor settlement, the EBITDA margin was 36%.

Capex in the quarter was mainly related to increasing the population coverage on the 4G network as well as capacity expansion to cater for higher data usage.

	Second quarter		First half year		Year	First half year
(NOK in millions)	2019	2018	2019	2018	2018	2019 IFRS 16
Revenues						
Subscription and traffic	1 240	1 431	2 365	2 743	4 918	2 365
Interconnect	181	208	367	430	815	367
Other mobile	9	11	18	17	33	18
Non-mobile	7	10	16	23	45	16
Total revenues	**1 438**	**1 659**	**2 766**	**3 213**	**5 810**	**2 766**
Gross profit	1 216	1 429	2 332	2 750	4 911	2 425
Operating expenditures	634	703	1 313	1 357	2 732	939
EBITDA before other items	**582**	**727**	**1 019**	**1 394**	**2 179**	**1 486**
Operating profit	**218**	**349**	**286**	**686**	**727**	**370**
EBITDA before other items/ Total revenues (%)	40.5	43.8	36.8	43.4	37.5	53.7
Capex	120	236	323	442	1 050	
No. of subscriptions – Change in quarter/Total (in thousands):	1 411	147	19 806	19 083	17 232	
ARPU – monthly (NOK)	25	29	25	28	26	
Exchange rate (MMK)			0.0056	0.0059	0.0056	

Broadcast

The performance in Broadcast was a continuation of trends observed in the first quarter. While the customer base in Canal Digital remained under pressure, sales momentum in Telenor Satellite was strong, in particular within the maritime data communication segment. This resulted in a 4% overall reduction in revenues. Combined with cost reductions, this led to a 3% reduction in EBITDA and a slight improvement in EBITDA margin.

Capex in the quarter was mainly driven by upgrades in the DTT network to release the 700MHz frequency band for mobile purposes and battery back-up improvements in the Norkring tower infrastructure.

	Second quarter		First half year		Year	First half year
(NOK in millions)	2019	2018	2019	2018	2018	2019 IFRS 16
Revenues						
Canal Digital DTH	1 057	1 134	2 123	2 266	4 478	2 123
Satellite	245	228	474	437	901	474
Norkring	267	267	540	532	1 063	540
Other/Eliminations	(123)	(118)	(244)	(237)	(473)	(244)
Total revenues	**1 446**	**1 511**	**2 894**	**2 998**	**5 968**	**2 894**
Gross profit	**913**	**933**	**1 801**	**1 857**	**3 679**	**1 813**
Operating expenditures	**427**	**432**	**848**	**866**	**1 719**	**810**
EBITDA before other items						
Canal Digital DTH	172	214	335	433	799	335
Satellite	169	151	321	286	609	324
Norkring	149	143	304	283	576	352
Other/Eliminations	(3)	(8)	(7)	(10)	(24)	(8)
Total EBITDA before other items	**486**	**500**	**953**	**991**	**1 960**	**1 003**
Operating profit						
Canal Digital DTH	151	184	298	383	711	298
Satellite	86	81	168	140	326	168
Norkring	78	71	161	135	278	166
Other/Eliminations	(3)	(8)	(7)	(11)	(24)	(7)
Total operating profit	**312**	**328**	**619**	**647**	**1 291**	**625**
EBITDA before other items/ Total revenues (%)	33.6	33.1	32.9	33.1	32.8	34.7
Capex	95	77	177	148	384	
No. of subscriptions – Change in quarter/Total (in thousands):						
DTH TV	(12)	(6)	766	816	793	

Other units

Revenues in Other Units decreased by 8%, primarily due to reduced Group internal invoicing from Corporate Functions as well as lower revenues in Global Wholesale. EBITDA improved by NOK 0.1 billion as the efficiency programme is proceeding in staff units and the structural simplifications of the Group are materialising. The efficiency programme is expected to generate cost savings of in total NOK 0.5 billion, of which NOK 0.3 billion in 2019. So far this year, opex in Other Units is down by NOK 0.4 billion. The second quarter was further positively impacted by improved performance in Other Businesses, mainly in Tapad and Connexion. Operating profit improved by NOK 28 million as a result of better EBITDA, however negatively impacted by downsizing costs related to the abovementioned structural initiatives, see 'Specification of other income and other expenses' on page 12 for further details.

	Second quarter		First half year		Year	First half year
(NOK in millions)	2019	2018	2019	2018	2018	2019 IFRS 16
Revenues						
Corporate Functions	721	837	1 446	1 735	3 321	1 446
Global Wholesale	676	737	1 242	1 455	3 055	1 242
Other Businesses	468	437	945	868	1 885	942
Eliminations	(52)	(42)	(87)	(91)	(197)	(87)
Total revenues	**1 813**	**1 969**	**3 545**	**3 966**	**8 064**	**3 543**
Operating expenditures	**1 102**	**1 297**	**2 163**	**2 586**	**5 034**	**2 127**
EBITDA before other items						
Corporate Functions	(57)	(52)	(12)	(118)	(224)	5
Global Wholesale	38	40	36	86	316	41
Other Businesses	30	(47)	55	(75)	7	67
Eliminations	4	1	4	2	5	3
Total EBITDA before other items	**14**	**(58)**	**83**	**(106)**	**103**	**116**
Operating profit (loss)						
Corporate Functions	(294)	(232)	(318)	(389)	(710)	(316)
Global Wholesale	27	28	16	53	251	16
Other Businesses	(18)	(107)	169	(190)	(260)	168
Eliminations	4	1	4	2	5	4
Total operating profit (loss)	**(282)**	**(311)**	**(129)**	**(524)**	**(715)**	**(128)**
Capex	105	65	155	159	339	
Investments in businesses	-	-	-	32	117	

Group performance 2019

The comments below are related to Telenor's development in 2019 compared to 2018. The comments made are based on accounting principles including IFRS 16 *Leases*[1] for 2019 and accounting principles excluding IFRS 16 *Leases* for 2018.

Specification of other income and other expenses

	Second quarter		First half year		Year
(NOK in millions)	2019	2018	2019	2018	2018
EBITDA before other income and other expenses	12 311	11 337	24 736	22 677	45 451
EBITDA before other income and other expenses (%)	44.0	41.2	44.5	41.5	41.2
Other income	40	-	40	-	-
Gains on disposals of fixed assets and operations	165	9	395	46	63
Losses on disposals of fixed assets and operations	(41)	(123)	(79)	(154)	(227)
Workforce reductions, onerous (loss) contracts and one-time pension costs	(256)	(262)	(441)	(443)	(3 040)
EBITDA	**12 219**	**10 962**	**24 652**	**22 127**	**42 247**
EBITDA margin (%)	43.7	39.9	44.3	40.5	38.3

In the second quarter of 2019 Other income and other expenses consisted mainly of:
- Workforce reductions and loss contracts in Corporate functions of NOK 157 million, Telenor Norway of NOK 46 million, and NOK 20 million in Broadcast.
- Gains on disposals of fixed assets and operations in Telenor Denmark of NOK 119 million related to sale and partial leaseback of assets, Telenor Norway of NOK 29 million gain on partial disposal of Gintel which is recognised as an associated company from second quarter 2019.

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 2019 Other income and other expenses consisted mainly of:
- Workforce reductions and loss contracts in Corporate Functions of NOK 174 million, Telenor Norway of NOK 113 million and Grameenphone of NOK 57 million.
- Gains on disposals related to a NOK 208 million gain on partial disposal of Digital Money Myanmar (Wave Money) which is recognised as a joint venture from March 2019, and NOK 119 million in Telenor Denmark related to sale and partial leaseback of assets.

In the first half of 2018 Other income and other expenses consisted mainly of:
- Workforce reductions of NOK 443 million in Telenor Norway, Corporate Functions and Digi.
- Loss on disposals 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 Services AS from a subsidiary to an associated company.

Operating profit
- Reported operating profit increased by NOK 1.6 billion. This was mainly due to the end-of-concession related decrease in depreciations in Thailand. The positive impact of IFRS 16 on operating expenses of NOK 2.0 billion was offset by the corresponding IFRS 16 related increase in depreciations.

Financial items

	Second quarter		First half year		Year
(NOK in millions)	2019	2018	2019	2018	2018
Financial income	190	113	729	565	1 209
Financial expenses	(1 281)	(586)	(2 402)	(1 055)	(2 484)
Net currency gains (losses)	151	(1 091)	563	135	(2 227)
Net change in fair value of financial instruments	70	(110)	8	670	342
Net gains (losses and impairment) of financial assets and liabilities	(1)	2	18	2	3
Net financial income (expenses)	**(871)**	**(1 672)**	**(1 083)**	**316**	**(3 158)**
Gross interest expenses	(1 149)	(531)	(2 152)	(901)	(2 131)
Net interest expenses	(1 001)	(452)	(1 870)	(750)	(1 652)

- Financial income in the first half of 2019 includes dividend from VEON of NOK 375 million, recognised in the first quarter, compared to NOK 345 million in 2018.
- Financial expenses in the first half of 2019 include interest expenses on lease liabilities of NOK 871 million, as an effect of IFRS 16 . The increase compared to the first half year of 2018 is also due to a change in the currency composition of the Group's liabilities.
- Net currency gains are mainly caused by revaluation of debt held in Telenor ASA in other currencies than NOK. In the second quarter of 2019, net currency gains in Telenor ASA were partly offset by a currency loss in Telenor Pakistan as the devaluation of the Pakistani Rupee led to currency losses on USD liabilities in Pakistan.
- Net change in fair value of financial instruments in the first half of 2018 included a NOK 851 million gain on the financial derivative features of the bond exchangeable into VEON ADSs.

Taxes
- The effective tax rate is 31% for the first half of 2019. Provisions for non-deductible expenses in Grameenphone were partly offset by tax free gain on the de-recognition of Digital Money Myanmar (Wave Money) and dividends from VEON.
- The underlying tax rate for the year is still 30% and the effective tax rate for the year 2019 is estimated to be around 30%.

[1] Please refer to note 1 for further information on IFRS 16.

Cash flow

- Net cash inflow from operating activities during the first half of 2019 was NOK 15.5 billion, a decrease of NOK 1.8 billion compared to 2018. Adjusting for repayments of lease obligations of NOK 2.3 billion which are now classified as financing activities under IFRS 16 and the effect of disposed operations in CEE and India of NOK 1.5 billion, the underlying operating cash flow decreased by NOK 2.6 billion compared to 2018 mainly due to higher taxes and interest paid as well as changes in working capital and other. Changes in working capital and other in the second quarter are primarily affected by the CAT settlement in Thailand of NOK 2.3 billion.
- Net cash outflow to investing activities during the first half of 2019 was NOK 9.6 billion, a decrease of NOK 0.3 billion compared to 2018. This is mainly due to sale of VEON shares of NOK 1.8 billion, partly offset by higher investments in PPE and intangible assets.
- Net cash inflow from financing activities during the first half of 2019 was NOK 17.7 billion. This is explained by net proceeds from borrowings of NOK 26.9 billion, including repayments of lease obligations of NOK 2.3 billion which are now classified as financing activities under IFRS 16. Dividends of NOK 6.4 billion were paid to Telenor ASA shareholders and NOK 1.7 billion to non-controlling interests.
- Cash and cash equivalents increased by NOK 23.4 billion during the first half of 2019 to NOK 41.7 billion as of 30 June 2019.

Financial position

- During the first half of 2019, total assets increased by NOK 42.7 billion to NOK 233.9 billion. This was mainly due to IFRS 16 implementation effect of NOK 26.4 billion (see note 1 for further information) and increase in cash and cash equivalents of NOK 23.9 billion.
- Total liabilities increased by NOK 52.9 billion to NOK 189.7 billion. This was mainly due to IFRS 16 implementation effect of NOK 26.6 billion (see note 1 for further information) and issuance of bonds resulting in net increase in interest bearing debt (excluding leases) of NOK 28.0 billion.
- Net debt based on IAS 17[1)] increased by NOK 4.4 billion to NOK 43.9 billion. Interest-bearing liabilities excluding licence obligations increased by NOK 28.6 billion. This was partially offset by the increase in cash and cash equivalents of NOK 23.9 billion and fair value hedge instrument receivables of NOK 0.4 billion.
- Total equity decreased by NOK 10.2 billion to NOK 44.2 billion. This was mainly due to dividends to equity holders of Telenor ASA and non-controlling interests of NOK 13.8 billion, share buyback of NOK 3.3 billion and negative currency translation effects of NOK 1.3 billion. This was partially offset by positive net income from operations of NOK 9.3 billion and increase in the fair value of VEON shares of NOK 0.3 billion

Transactions with related parties

For detailed information on related party transactions, please refer to Note 32 Related parties in the Group's Annual Report 2018.
Risk and uncertainties

The 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 following sections in the Group's Annual Report 2018: the Risk Management section in the Board of Directors Report, Note 13 Income taxes, Note 28 Financial Risk Management and Note 33 Legal Disputes and Contingencies. Readers are also referred to the Disclaimer below.

For new developments of risks and uncertainties since the publication of the Group's Annual Report for 2018, see Note 6 Legal disputes.

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. The forward-looking statements are based on current group structure and accounting standards as of 31 December 2018. 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, 15 July 2019
The Board of Directors of Telenor ASA

1) Please refer to Definitions on page 30 for descriptions of alternative performance measures.

Interim condensed financial information

Consolidated income statement

Telenor Group

	Second quarter		First half year		Year
(NOK in millions except earnings per share)	2019 IFRS 16	2018 IAS 17	2019 IFRS 16	2018 IAS 17	2018 IAS 17
Revenues	27 962	27 503	55 607	54 653	110 362
Costs of materials and traffic charges	(6 786)	(6 478)	(13 517)	(12 665)	(26 180)
Salaries and personnel costs	(2 694)	(2 755)	(5 418)	(5 534)	(10 723)
Other operating expenses	(6 171)	(6 933)	(11 937)	(13 777)	(28 008)
Other income	205	9	435	46	63
Other expenses	(297)	(384)	(520)	(597)	(3 267)
EBITDA	**12 219**	**10 962**	**24 652**	**22 127**	**42 247**
Depreciation and amortisation	(5 775)	(5 173)	(11 405)	(10 527)	(20 104)
Impairment losses	17	-	(2)	(1)	(56)
Operating profit	**6 461**	**5 790**	**13 244**	**11 598**	**22 088**
Share of net income from associated companies and joint ventures	(69)	10	(156)	11	(81)
Net financial income (expenses)	(871)	(1 672)	(1 083)	316	(3 158)
Profit before taxes	**5 520**	**4 128**	**12 005**	**11 925**	**18 848**
Income taxes	(1 875)	(1 222)	(3 673)	(3 519)	(6 179)
Profit from continuing operations	**3 645**	**2 906**	**8 333**	**8 407**	**12 668**
Profit (loss) from discontinued operations	(26)	611	31	871	4 773
Net income	**3 619**	**3 517**	**8 363**	**9 278**	**17 442**
Net income attributable to:					
Non-controlling interests	747	872	1 658	1 640	2 711
Equity holders of Telenor ASA	2 871	2 645	6 705	7 637	14 731
Earnings per share in NOK					
Basic from continuing operations	2.00	1.38	4.59	4.56	6.76
Diluted from continuing operations	2.00	1.38	4.59	4.56	6.76
Earnings per share in NOK					
Basic from discontinued operations	(0.02)	0.41	0.02	0.59	3.24
Diluted from discontinued operations	(0.02)	0.41	0.02	0.59	3.24
Earnings per share in NOK					
Basic from total operations	1.98	1.79	4.61	5.15	10.00
Diluted from total operations	1.98	1.79	4.61	5.15	10.00

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

Consolidated statement of comprehensive income

Telenor Group

(NOK in millions)	Second quarter 2019 IFRS 16	Second quarter 2018 IAS 17	First half year 2019 IFRS 16	First half year 2018 IAS 17	Year 2018 IAS 17
Net income	**3 619**	**3 517**	**8 363**	**9 278**	**17 442**
Translation differences on net investment in foreign operations	(995)	(912)	(1 741)	(3 548)	(1 175)
Amount reclassified from other comprehensive income to income statement on partial disposal	-	(165)	(9)	(165)	1 584
Net gain (loss) on hedge of net investment	46	211	536	1 410	316
Income taxes	(10)	(49)	(118)	(324)	(73)
Amount reclassified from other comprehensive income to income statement on partial disposal	-	-	-	-	1 090
Income taxes reclassified	-	-	-	-	(298)
Share of other comprehensive income (loss) of associated companies and joint ventures	-	1	-	(1)	2
Amount reclassified from other comprehensive income to income statement on disposal	-	-	-	-	(2)
Items that may be reclassified subsequently to income statement	**(959)**	**(913)**	**(1 332)**	**(2 628)**	**1 445**
Net gain (loss) on equity investments	921	(294)	360	(3 079)	(2 809)
Remeasurement of defined benefit pension plans	(136)	78	(167)	328	(323)
Income taxes	30	(18)	37	(66)	84
Items that will not be reclassified to income statement	**814**	**(234)**	**229**	**(2 817)**	**(3 047)**
Other comprehensive income (loss) for the period, net of tax	**(145)**	**(1 147)**	**(1 103)**	**(5 445)**	**(1 602)**
Total comprehensive income	**3 474**	**2 370**	**7 260**	**3 833**	**15 839**
Total comprehensive income attributable to:					
Non-controlling interests	739	905	1 648	1 563	2 939
Equity holders of Telenor ASA	2 736	1 465	5 612	2 270	12 900

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

Consolidated statement of financial position

Telenor Group

(NOK in millions)	30 June 2019 IFRS 16	31 December 2018 IAS 17	30 June 2018 IAS 17
Deferred tax assets	2 527	2 699	1 846
Goodwill	14 137	14 403	13 650
Intangible assets	6 289	36 371	24 125
Right-of-use assets	54 385	-	-
Property, plant and equipment	71 005	73 361	69 443
Associated companies and joint ventures	2 194	2 382	523
Other non-current assets	17 305	17 792	12 676
Total non-current assets	**167 844**	**147 009**	**122 263**
Prepaid taxes	1 278	804	1 232
Inventories	1 154	1 703	1 124
Trade and other receivables	20 454	21 685	19 840
Other current financial assets	841	678	813
Assets classified as held for sale	-	902	29 067
Cash and cash equivalents	42 373	18 492	18 578
Total current assets	**66 099**	**44 263**	**70 654**
Total assets	**233 943**	**191 272**	**192 917**
Equity attributable to equity holders of Telenor ASA	39 375	49 446	47 167
Non-controlling interests	4 839	5 009	5 333
Total equity	**44 214**	**54 455**	**52 500**
Non-current lease liabilities	33 778	805	785
Non-current interest-bearing liabilities	62 769	55 120	45 542
Non-current non-interest-bearing liabilities	1 036	1 809	1 291
Deferred tax liabilities	2 783	3 322	3 723
Pension obligations	2 841	2 819	2 066
Provisions and obligations	5 516	5 485	5 086
Total non-current liabilities	**108 724**	**69 361**	**58 492**
Current lease liabilities	4 505	54	51
Current interest-bearing liabilities	24 996	15 687	25 518
Trade and other payables	32 830	37 728	34 065
Dividend payable	5 750	-	5 739
Current tax payables	5 359	5 541	5 036
Current non-interest-bearing liabilities	4 468	1 666	1 488
Provisions and obligations	1 325	3 811	938
Liabilities classified as held for sale	1 772	2 970	9 091
Total current liabilities	**81 006**	**67 456**	**81 925**
Total equity and liabilities	**233 943**	**191 272**	**192 917**

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

Consolidated statement of cash flows

Telenor Group

(NOK in millions)	Second quarter 2019 IFRS 16	Second quarter 2018 IAS 17	First half year 2019 IFRS 16	First half year 2018 IAS 17	Year 2018 IAS 17
Profit before taxes from total operations[1]	5 494	4 858	12 036	12 986	23 867
Income taxes paid	(2 205)	(2 202)	(4 467)	(3 766)	(6 599)
Net (gains) losses from disposals, impairments and change in fair value of financial assets and liabilities	(91)	220	(323)	(555)	(3 672)
Depreciation, amortisation and impairment losses	5 759	5 367	11 409	11 178	20 846
Loss (profit) from associated companies and joint ventures	69	(10)	156	(11)	83
Dividends received from associated companies	62	3	63	11	28
Currency (gains) losses not related to operating activities	(447)	847	(816)	(284)	2 512
Changes in working capital and other	(2 492)	(327)	(2 544)	(2 196)	(670)
Net cash flow from operating activities	**6 150**	**8 756**	**15 514**	**17 363**	**36 394**
Purchases of property, plant and equipment (PPE) and intangible assets	(4 899)	(3 531)	(10 879)	(9 087)	(21 011)
Purchases of subsidiaries, associated companies and joint ventures, net of cash acquired	-	(13)	-	(13)	(37)
Proceeds from disposal of PPE, intangible assets, associated companies and businesses, net of cash disposed	280	(821)	(618)	(820)	20 494
Proceeds from sale and purchases of other investments	(14)	(23)	1 876	24	(60)
Net cash flow from investing activities	**(4 633)**	**(4 387)**	**(9 622)**	**(9 896)**	**(613)**
Proceeds from and repayments of borrowings	25 782	4 045	29 618	2 515	(11 424)
Payments on licence obligations	(149)	(410)	(380)	(410)	(740)
Payment of lease obligations	(1 284)	(12)	(2 359)	(61)	(80)
Net payments on supply chain financing	81	75	(40)	(91)	43
Purchase of treasury shares	(828)	(2 807)	(995)	(3 754)	(5 809)
Dividends paid to and purchases of shares from non-controlling interests	(1 312)	(1 021)	(1 709)	(1 379)	(3 095)
Dividends paid to equity holders of Telenor ASA	(6 416)	(6 248)	(6 416)	(6 248)	(18 381)
Net cash flow from financing activities	**15 874**	**(6 379)**	**17 719**	**(9 428)**	**(39 487)**
Effects of exchange rate changes on cash and cash equivalents	(190)	(58)	(226)	(346)	(284)
Net change in cash and cash equivalents	**17 201**	**(2 069)**	**23 385**	**(2 308)**	**(3 990)**
Cash and cash equivalents at the beginning of the period	24 512	22 079	18 328	22 318	22 318
Cash and cash equivalents at the end of the period[2]	**41 714**	**20 010**	**41 714**	**20 010**	**18 328**
Of which cash and cash equivalents in assets held for sale at the end of the period	-	1 955	-	1 955	407
Cash and cash equivalents in continuing operations at the end of the period	**41 714**	**18 055**	**41 714**	**18 055**	**17 921**

[1] Profit before taxes from total operations consists of:					
Profit before taxes from continuing operations	5 520	4 128	12 005	11 925	18 848
Profit before taxes from discontinued operations	(26)	730	31	1 061	5 019
Profit before taxes from total operations	5 494	4 858	12 036	12 986	23 867

[2] As of 30 June 2019, restricted cash was NOK 210 million, while as of 30 June 2018, restricted cash was NOK 428 million.

Cash flow from discontinued operations

(NOK in millions)	Second quarter 2019 IFRS 16	Second quarter 2018 IAS 17	First half year 2019 IFRS 16	First half year 2018 IAS 17	Year 2018 IAS 17
Net cash flow from operating activities	-	1 250	34	1 352	2 001
Net cash flow from investing activities	(31)	(1 010)	(720)	(1 268)	19 701
Net cash flow from financing activities	-	(728)	-	(245)	(238)

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 standalone entities.

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

Consolidated statement of changes in equity

Telenor Group

(NOK in millions)	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences	Total	Non-controlling interests	Total equity
	Attributable to equity holders of the parent						
Equity as of 1 January 2018	**9 025**	**(6 842)**	**62 075**	**(3 398)**	**60 860**	**5 139**	**66 000**
Net income for the period	-	-	14 731	-	14 731	2 711	17 442
Other comprehensive income for the period	-	(3 061)	-	1 230	(1 831)	229	(1 602)
Total comprehensive income for the period	**-**	**(3 061)**	**14 731**	**1 230**	**12 900**	**2 939**	**15 839**
Transactions with non-controlling interests	-	-	-	-	-	4	4
Dividends	-	-	(18 382)	-	(18 382)	(3 073)	(21 455)
Share buyback	(208)	(5 560)	-	-	(5 768)	-	(5 768)
Share - based payment, exercise of share options and distribution of shares	-	(166)	-	-	(166)	-	(166)
Equity as of 31 December 2018	**8 818**	**(15 630)**	**58 425**	**(2 168)**	**49 446**	**5 009**	**54 455**
Changes in accounting principles - Note 1	-	-	(146)	-	(146)	(79)	(225)
Equity as of 1 January 2019	**8 818**	**(15 630)**	**58 279**	**(2 168)**	**49 300**	**4 930**	**54 230**
Net income for the period	-	-	6 705	-	6 705	1 658	8 363
Other comprehensive income for the period	-	229	-	(1 322)	(1 093)	(10)	(1 103)
Total comprehensive income for the period	**-**	**229**	**6 705**	**(1 322)**	**5 612**	**1 648**	**7 260**
Disposal of VEON shares	-	1 568	(1 568)	-	-	-	-
Transactions with non-controlling interests	-	-	-	-	-	(58)	(58)
Dividends	-	-	(12 150)	-	(12 150)	(1 681)	(13 831)
Share buyback	(124)	(3 161)	-	-	(3 285)	-	(3 285)
Sale of shares, share issue, and share options to employees	-	(102)	-	-	(102)	-	(102)
Equity as of 30 June 2019	**8 694**	**(17 096)**	**51 265**	**(3 490)**	**39 376**	**4 839**	**44 215**

(NOK in millions)	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences	Total	Non-controlling interests	Total equity
	Attributable to equity holders of the parent						
Equity as of 01 January 2018	**9 025**	**(6 842)**	**62 075**	**(3 398)**	**60 860**	**5 139**	**66 000**
Net income for the period	-	-	7 637	-	7 637	1 640	9 278
Other comprehensive income for the period	-	(2 837)	-	(2 530)	(5 367)	(77)	(5 445)
Total comprehensive income for the period	**-**	**(2 837)**	**7 637**	**(2 530)**	**2 270**	**1 563**	**3 833**
Transactions with non-controlling interests	-	-	-	-	-	(2)	(2)
Dividends	-	-	(11 987)	-	(11 987)	(1 367)	(13 354)
Share buy back	(132)	(3 622)	-	-	(3 754)	-	(3 754)
Sale of shares, share issue, and share options to employees	-	(222)	-	-	(222)	-	(222)
Equity as of 30 June 2018	**8 894**	**(13 524)**	**57 726**	**(5 929)**	**47 167**	**5 333**	**52 500**

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 2019, 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 for 2018 (Annual Report 2018).

The accounting policies applied 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 2018, except for the adoption of new standards effective as of 1 January 2019. Except for the changes described below, none of the standards and interpretations effective from 1 January 2019 has had a significant impact on the Group's consolidated interim financial statements. For information about other standards and interpretations effective from 1 January 2019, please refer to note 1 in the Group's Annual Report 2018. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 16 *Leases* (effective from 1 January 2019)

IFRS 16 supersedes IAS 17 *Leases* and IFRIC 4 *Determining whether an Arrangement contains a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. Lessees are required to account for most leases under a single on-balance sheet model, and the distinction between operating and finance leases for lessees as was required by IAS 17 has been eliminated. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. However, sub-leases will in some cases be classified by the Group as lessor under IFRS 16. A sub-lease agreement is assessed based on the terms in the head lease and not on the characteristics of the underlying asset under IFRS 16.
In accordance with IFRS 16, the Group recognises a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset), and recognises depreciation of the right-of-use assets separately from interest on lease liabilities in the income statement. For a summary of new accounting policies, see further below.

The Group has made the following accounting policy choices:

- Low-value leases, meaning mainly leased office equipment, are not capitalized
- Leases with a lease term of 12 months or shorter are not capitalised (short-term leases), except for leases of spectrum and licences.
- Intangible assets, such as spectrum and licenses, are recognised as leases when the Group has exclusive right to use the assets.
- Fixed non-lease components embedded in the lease contract are not separated and hence recognised as lease liabilities and capitalised as right-of-use assets.
- Right-of-use assets and lease liabilities are presented separately in the statement of financial position.

In addition to the above accounting policy choices the Group elected to apply the following practical expedients related to the implementation of IFRS 16:

- The Group elected to apply the modified retrospective approach for transition to IFRS 16, meaning that comparatives for 2018 are not restated and the cumulative effect of initially applying the standard has been recognised as an adjustment to the opening balance of equity as of 1 January 2019. Right-of-use assets and liabilities have been measured at the same amount, taking into consideration prepayments and accruals recognised as of 31 December 2018. Initial direct costs have been excluded from the measurement of the right-of-use asset at the date of initial application.
- The Group relied on its assessment of whether leases are onerous immediately before the date of initial application.
- A single discount rate was applied to portfolios of leases with reasonably similar characteristics.
- The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under IAS 17). The requirements of IFRS 16 were applied to these leases from 1 January 2019.

The effects of adoption of IFRS 16

The Group has lease contracts related to the mobile networks (mainly towers), land, buildings and other equipment.

Before the adoption of IFRS 16 *Leases* 1 January 2019, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as finance lease whenever the terms of the lease transferred substantially all the risks and rewards incidental to ownership to the Group. All other leases were classified as operating leases. Assets held under finance leases were recognised as assets of the Group at their fair value at inception of the leases or, if lower, at the present value of the minimum lease payments. The liabilities to the lessor were recognised as finance lease obligations in the statement of financial position. Lease payments were apportioned between finance expenses and reduction of the lease liability to achieve a constant periodic rate of interest on the remaining balance of the liability. In an operating lease, the leased asset was not capitalised, and the lease payments were recognised in the income statement on a straight-line basis over the lease terms. Any prepaid rent and accrued rent were recognised under prepayments and trade and other payables, respectively.

Upon adoption of IFRS 16, the Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets for all leases where it is the lessee, except for short-term leases and leases of low-value assets. The tables below show the impacts arising from IFRS 16 on the opening balance and for the second quarter and the first six months of 2019.

Consolidated Income Statement

(NOK in millions)	Second quarter 2019 (IFRS 16)	Impact IFRS 16	Second quarter 2019 (IAS 17)	First half year 2019 (IFRS 16)	Impact IFRS 16	First hallf year 2019 (IAS 17)
Revenues	**27 962**	**65**	**28 027**	**55 607**	**130**	**55 737**
Cost of materials and traffic charges	(6 786)	(132)	(6 919)	(13 517)	(257)	(13 774)
Salaries and personnel costs	(2 694)	-	(2 694)	(5 418)	-	(5 418)
Other operating expenses	(6 171)	(1 157)	(7 328)	(11 937)	(2 346)	(14 283)
Other income	205	115	320	435	114	549
Other expenses	(297)	-	(297)	(520)	1	(518)
EBITDA	**12 219**	**(1 110)**	**11 110**	**24 652**	**(2 359)**	**22 293**
Depreciation and amortisation	(5 775)	1 147	(4 628)	(11 405)	2 271	(9 135)
Impairment losses	17	-	17	(2)	-	(2)
Operating profit	**6 461**	**38**	**6 499**	**13 244**	**(89)**	**13 156**
Share of net income from associated comapnies and joint ventures	(69)	-	(69)	(156)	-	(156)
Net financial income (expenses)	(871)	316	(555)	(1 083)	559	(523)
Profit before taxes	**5 520**	**354**	**5 874**	**12 005**	**471**	**12 476**
Income taxes	(1 875)	(103)	(1 978)	(3 673)	(140)	(3 813)
Profit from Continuing operations	**3 645**	**251**	**3 896**	**8 333**	**331**	**8 663**
Profit (loss) from discontinued operations	(26)	-	(26)	31	-	31
Net income	**3 619**	**251**	**3 870**	**8 363**	**331**	**8 694**
Net income attributable to:						
Non-controlling interests	747	27	775	1 658	59	1 717
Equity holders of Telenor ASA	2 871	223	3 095	6 705	272	6 977
Earnings per share in NOK						
Basic from continuing operations	2.00	0.15	2.16	4.59	0.19	4.78
Diluted from continuing operations	2.00	0.15	2.16	4.59	0.19	4.78
Earnings per share in NOK						
Basic from discontinuing operations	(0.02)	-	(0.02)	0.02	-	0.02
Diluted from discontinuing operations	(0.02)	-	(0.02)	0.02	-	0.02
Earnings per share in NOK						
Basic from total operations	1.98	0.15	2.14	4.61	0.19	4.80
Diluted from total operations	1.98	0.15	2.14	4.61	0.19	4.80

The net effect on EBITDA is mainly explained by operating lease expenses previously recorded under other operating expenses. These leases are now recognised as right-of-use assets and lease liabilities, leading to a corresponding increase in depreciation and amortisation expenses and financial expenses. The decrease in revenue mainly relates to sub-lease agreements previously classified as operating leases under IAS 17.

Consolidated statement of financial position

	Opening balance			30 June 2019		
(NOK in millions)	31 December 2018 IAS 17	Impact IFRS 16	1 January 2019	30 June 2019 IAS 17	Impact IFRS 16	30 June 2019 IFRS 16
Deferred tax assets	2 699	56	2 755	2 464	64	2 527
Goodwill	14 403	-	14 403	14 137	-	14 137
Intangible assets	36 371	(30 116)	6 255	35 001	(28 711)	6 289
Right-of use assets	-	57 912	57 912	-	54 385	54 385
Property, plant and equipment	73 361	(1 544)	71 817	72 340	(1 334)	71 005
Associated companies and joint ventures	2 382	-	2 382	2 194	-	2 194
Other non-current assets	17 792	903	18 695	16 486	819	17 305
Total non-current assets	**147 008**	**27 211**	**174 220**	**142 622**	**25 222**	**167 844**
Prepaid taxes	804	-	804	1 278	-	1 278
Inventories	1 703	-	1 703	1 154	-	1 154
Trade and other receivables	21 685	(840)	20 846	21 311	(857)	20 454
Other current financial assets	678	-	678	841	-	841
Assets classified as held for sale	902	-	902	-	-	-
Cash and cash equivalents	18 492	-	18 492	42 373	-	42 373
Total current assets	**44 264**	**(840)**	**43 424**	**66 957**	**(857)**	**66 099**
Total assets	**191 272**	**26 372**	**217 644**	**209 579**	**24 365**	**233 943**
Equity attributable to equity holders of Telenor ASA	49 446	(146)	49 300	39 789	(414)	39 375
Non-controlling interests	5 009	(79)	4 930	4 979	(140)	4 839
Total equity	**54 455**	**(225)**	**54 230**	**44 768**	**(554)**	**44 214**
Non-current lease liabilities	805	33 699	34 504	623	33 155	33 778
Non-current interest-bearing liabilities	55 120	(10 971)	44 150	73 982	(11 213)	62 769
Non-current non-interest-bearing liabilities	1 809	(53)	1 756	1 106	(70)	1 036
Deferred tax liabilities	3 322	-	3 322	2 803	(20)	2 783
Pension obligations	2 819	-	2 819	2 841	-	2 841
Provisions and obligations	5 485	-	5 485	5 516	-	5 516
Total non-current liabilities	**69 361**	**22 675**	**92 036**	**86 872**	**21 852**	**108 724**
Current lease liabilities	54	5 386	5 440	757	3 748	4 505
Current interest-bearing liabilities	15 687	(876)	14 811	24 996	-	24 996
Trade and other payables	37 728	(588)	37 140	33 395	(565)	32 830
Dividend payable	-	-	-	5 750	-	5 750
Current tax payables	5 541	-	5 541	5 475	(116)	5 359
Current non-interest-bearing liabilities	1 666	-	1 666	4 468	-	4 468
Provisions and obligations	3 811	-	3 811	1 325	-	1 325
Liabilities classified as held for sale	2 970	-	2 970	1 772	-	1 772
Total current liabilities	**67 456**	**3 922**	**71 378**	**77 939**	**3 067**	**81 006**
Total equity and liabilities	**191 272**	**26 372**	**217 644**	**209 579**	**24 365**	**233 943**

Main effects as at 1 January 2019:

- Additional non-current lease liabilities of NOK 33,699 million and current lease liabilities of NOK 5,386 million, NOK 39,085 million in total, were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application, including the reclassification of non-current interest-bearing liabilities and current interest-bearing liabilities related to spectrum and licenses.
- Right-of -use assets of NOK 57,912 million were recognised, including the reclassification of intangible assets related to spectrum and licenses and finance leases reclassified from property, plant and equipment.
- The net effect on other non-current assets is related to the Group as a lessor in sub-lease agreements. The effects on prepayments classified as trade and other receivables, and on accounts payable and accrued expenses, were related to spectrum and licenses and operating leases under IAS 17 reclassified to right-of-use assets and lease liabilities.
- The cumulative effect of initially applying the standard was recognised as an adjustment to the opening balance of equity as of 1 January 2019. The effect is due to losses on derecognition of right-of use assets and recognition of lease receivables related to sub-lease agreements.

The weighted average incremental borrowing rate applied to lease liabilities recognised in the statement of financial position as of 1 January 2019 was 6%.

Consolidated statement of cash flows

(NOK in millions)	Second quarter 2019 (IFRS 16)	Impact IFRS 16	Second quarter 2019 (IAS 17)	First half year 2019 (IFRS 16)	Impact IFRS 16	First hallf year 2019 (IAS 17)
Profit before taxes from total operations	5 494	354	5 848	12 036	471	12 507
Income taxes paid	(2 205)	-	(2 205)	(4 467)	-	(4 467)
Net (gains) losses from disposals, impairments and change in fair value of financial assets and liabilities	(91)	(116)	(206)	(323)	(113)	(436)
Depreciation, amortization and impairment losses	5 759	(1 150)	4 609	11 409	(2 271)	9 138
Loss (profit) from associated companies and joint ventures	69	-	69	156	-	156
Dividends received from associated companies	62	-	62	63	-	63
Currency (gains) losses not related to operating activities	(447)	(54)	(501)	(816)	20	(797)
Change in working capital and other	(2 492)	(140)	(2 632)	(2 544)	(401)	(2 945)
Net cash flows from operating activities	**6 150**	**(1 106)**	**5 044**	**15 514**	**(2 294)**	**13 220**
Purchases of property, plant and equipment (PPE) and intangible assets	(4 899)	54	(4 845)	(10 879)	45	(10 834)
Purchases of subsidiaries and associated companies, net of cash acquired	-	-	-	-	-	-
Proceeds from disposal of PPE, intangible assets, associated companies and businesses, net of cash disposed	280	-	280	(618)	-	(618)
Proceeds from sale and purchases of other investments	(14)	-	(14)	1 876	-	1 876
Net cash flows from investing activities	**(4 633)**	**54**	**(4 579)**	**(9 622)**	**45**	**(9 576)**
Proceeds from and repayments of borrowings	25 782	-	25 782	29 618	-	29 618
Payments on licence obligations	(149)	24	(125)	(380)	48	(332)
Payment of lease liabilities	(1 284)	1 029	(255)	(2 359)	2 201	(158)
Payments on supply chain financing	81	-	81	(40)	-	(40)
Purchase of treasury shares	(828)	-	(828)	(995)	-	(995)
Dividends paid to and purchases of shares from non-controlling interests	(1 312)	-	(1 312)	(1 708)	-	(1 708)
Dividends paid to equity holders of Telenor ASA	(6 416)	-	(6 416)	(6 416)	-	(6 416)
Net cash flows from financing activities	**15 874**	**1 053**	**16 927**	**17 719**	**2 249**	**19 968**

The improvement of net cash flow from operating activities and decrease in cash flow from financing activities is mainly due to reclassification of payments related to operating leases under IAS 17. The cash outflow for leases under IFRS 16 is presented as repayment of interest-bearing liabilities within financing activities under IFRS 16. Interest paid is still classified as cash flow within operating activities.

The following table provides reconciliation from operating lease commitments as of 31 December 2018 under IAS 17 and lease liabilities recognised in the statement of financial position as of 1 January 2019:

(NOK in millions)	
Operating lease commitments disclosed as of 31 December 2018	17 861
Adjusted for:	
Commitments related to low value leases and short term leases	(56)
Non-lease components not included in lease commitments as of 31 December 2018	1 137
Total adjusted undiscounted operating lease commitments as of 31 December 2018	**18 942**
Weighted average incremental borrowing rate as at 1 January 2019	6%
Discounted adjusted operating lease commitments capitalised as of 1 January 2019	**14 079**
Lease liabilities related to leases previously classified as finance lease	859
Reclassification of licence obligations included as lease liabilities	11 847
Renewal options included in lease term as of 1 January 2019	12 086
Other	1 073
Lease liabilities as of 1 January 2019	**39 944**

Summary of new accounting policies

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The cost of a right-of-use asset also includes an estimate of costs to be incurred by the Group in dismantling and removing the underlying leased asset, restoring the site on which it is located or restoring the underlying leased asset to the condition required by the terms and conditions of the lease. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment assessments as described in note 2 to the Group's Annual Report 2018.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group remeasures the lease liability upon the occurrence of certain events (e.g. a change in the lease term, or a change in future lease payments resulting from a change in an index or rate used to determine those payments). Generally, the amount of remeasurement of the lease liability is recognised as an adjustment to the right-of-use asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option), except for leases of spectrum and licences. The Group also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Incremental borrowing rate
In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. To arrive at the incremental borrowing rate the Group applies the respective country's (economic environment) risk free rate for the term corresponding to the lease term, adjusted for own credit risk. For listed subsidiaries, the Group applies the external borrowing rate corresponding to the lease term available to those subsidiaries.

Significant judgement in determining the lease term of contracts with renewal options
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain to exercise an option to renew a lease contract, considering all relevant factors that create an economic incentive for the Group to exercise the renewal or not exercise an option to terminate. The threshold for being reasonably certain is lower than virtually certain and higher than more likely than not under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The main part of the Group's lease contracts excluding spectrum and licenses relates to the mobile networks (mainly towers) and land/property. For lease of land for own towers or leasing of towers from tower companies/other operators, factors considered in particular are technology development, business model and potential business combinations. Based on an assessment of these factors, the lease term for the Group's leases relating to sites with renewal options shall normally be within the range of 4 to 7 years. This means that the lease term for sites shall normally be the higher of a non-cancellable period or within the range of 4 to 7 years. Some sites may be in strategically important locations and it might be more than reasonably certain that the sites will be maintained beyond 7 years. In these exceptional cases, the lease term may be up to 10 years.

The level of certainty for establishing the lease term requires a higher level of certainty than for establishing the useful life for depreciation purposes. Hence, the determination of the lease term does not affect the Group's determination of useful life of own assets or other non-removable leasehold improvements determined for the purposes of depreciation charges.

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. For further information on the categories, please refer to note 6 in the Group's Annual Report 2018.

First half year 2019

(NOK in millions)	Norway	Sweden	Denmark	dtac Thailand	Digi Malaysia	Grameenphone Bangladesh	Pakistan	Myanmar	Broadcast	Other units	Eliminations	Group
Type of good/ services												
Mobile operation	**7 474**	**4 180**	**2 146**	**10 761**	**6 390**	**7 172**	**3 319**	**2 755**	**-**	**-**	**(441)**	**43 755**
Services	6 523	3 414	1 670	9 649	5 925	7 163	3 254	2 755	-	-	(440)	39 911
Goods	951	766	476	1 112	465	9	65	-	-	-	-	3 844
Fixed operation	**5 066**	**1 716**	**246**	**-**	**-**	**-**	**-**	**9**	**-**	**1 231**	**(379)**	**7 889**
Services	4 788	1 690	246	-	-	-	-	9	-	1 231	(343)	7 622
Goods	278	26	-	-	-	-	-	-	-	-	(36)	268
Satelitte and TV distribution	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2 840**	**-**	**(116)**	**2 724**
Services	-	-	-	-	-	-	-	-	2 778	-	(90)	2 687
Goods	-	-	-	-	-	-	-	-	62	-	(25)	37
Other	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2 101**	**(1 168)**	**933**
Services	-	-	-	-	-	-	-	-	-	2 101	(1 168)	933
Goods	-	-	-	-	-	-	-	-	-	-	-	-
Sum type of good/ services	**12 540**	**5 895**	**2 392**	**10 761**	**6 390**	**7 172**	**3 319**	**2 764**	**2 840**	**3 332**	**(2 103)**	**55 302**
Type of mobile subscription												
Contract	5 640	3 050	1 518	5 241	4 079	296	93	20	-	-	(42)	19 896
Prepaid	85	72	-	3 199	1 602	6 855	3 102	2 712	-	-	(140)	17 486
Other[1]	798	292	152	1 209	244	11	59	23	-	-	(259)	2 528
Sum services in Mobile operation	**6 523**	**3 414**	**1 670**	**9 649**	**5 925**	**7 163**	**3 254**	**2 755**	**-**	**-**	**(440)**	**39 911**
Timing of revenue recognition												
Over time	11 311	5 103	1 916	9 649	5 925	7 163	3 254	2 764	2 778	3 332	(2 041)	51 153
At a point in time	1 229	792	476	1 112	465	9	65	-	62	-	(62)	4 149
Total revenue from contract with customers	**12 540**	**5 895**	**2 392**	**10 761**	**6 390**	**7 172**	**3 319**	**2 764**	**2 840**	**3 332**	**(2 103)**	**55 302**
Other revenues[2]	-	90	12	-	-	81	14	1	54	211	(157)	305
Total revenue	**12 540**	**5 985**	**2 404**	**10 761**	**6 390**	**7 253**	**3 332**	**2 766**	**2 894**	**3 543**	**(2 260)**	**55 607**
IFRS 16 effects[3]	-	-	-	127	-	-	-	-	-	3	-	130
Segment revenue as presented in note 9	**12 540**	**5 985**	**2 404**	**10 888**	**6 390**	**7 253**	**3 332**	**2 766**	**2 894**	**3 545**	**(2 260)**	**55 737**

[1] Other includes revenues from other mobile and non-mobile services, refer to definitions on page 30.
[2] Other revenues include mainly lease revenue.
[3] Please refer to note 1.

Second quarter 2019

(NOK in millions)	Norway	Sweden	Denmark	dtac Thailand	Digi Malaysia	Grameenphone Bangladesh	Pakistan	Myanmar	Broadcast	Other units	Eliminations	Group
Type of good/ services												
Mobile operation	**3 760**	**2 047**	**1 067**	**5 478**	**3 228**	**3 643**	**1 582**	**1 432**	**-**	**-**	**(227)**	**22 011**
Services	3 262	1 689	834	4 941	2 966	3 639	1 556	1 432	-	-	(227)	20 094
Goods	498	358	234	536	262	4	26	-	-	-	-	1 917
Fixed operation	**2 528**	**846**	**122**	**-**	**-**	**-**	**-**	**5**	**-**	**670**	**(192)**	**3 979**
Services	2 385	834	122	-	-	-	-	5	-	670	(168)	3 847
Goods	144	12	-	-	-	-	-	-	-	-	(24)	132
Satelitte and TV distribution	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1 418**	**-**	**(60)**	**1 358**
Services	-	-	-	-	-	-	-	-	1 389	-	(58)	1 331
Goods	-	-	-	-	-	-	-	-	29	-	(2)	27
Other	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1 037**	**(575)**	**462**
Services	-	-	-	-	-	-	-	-	-	1 037	(575)	462
Goods	-	-	-	-	-	-	-	-	-	-	-	-
Sum type of good/ services	**6 289**	**2 893**	**1 189**	**5 478**	**3 228**	**3 643**	**1 582**	**1 437**	**1 418**	**1 707**	**(1 054)**	**27 810**
Type of mobile subscription												
Contract	2 844	1 495	750	2 666	2 055	154	47	11	-	-	(21)	10 001
Prepaid	43	37	-	1 619	774	3 484	1 480	1 411	-	-	(79)	8 768
Other[1]	377	157	84	657	137	2	30	10	-	-	(128)	1 325
Sum services in Mobile operation	**3 264**	**1 689**	**834**	**4 941**	**2 966**	**3 639**	**1 556**	**1 432**	**-**	**-**	**(227)**	**20 094**
Timing of revenue recognition												
Over time	5 648	2 523	956	4 941	2 966	3 639	1 556	1 437	1 389	1 707	(1 028)	25 734
At a point in time	641	370	234	536	262	4	26	-	29	-	(26)	2 076
Total revenue from contract with customers	**6 289**	**2 893**	**1 189**	**5 478**	**3 228**	**3 643**	**1 582**	**1 437**	**1 418**	**1 707**	**(1 054)**	**27 810**
Other revenues[2]	-	45	6	-	-	40	6	1	28	105	(79)	153
Total revenue	**6 289**	**2 938**	**1 195**	**5 478**	**3 228**	**3 683**	**1 589**	**1 438**	**1 446**	**1 812**	**(1 132)**	**27 962**
IFRS 16 effects[3]	-	-	-	64	-	-	-	-	-	1	-	65
Segment revenue as presented in note 9	**6 289**	**2 938**	**1 195**	**5 541**	**3 228**	**3 683**	**1 589**	**1 438**	**1 446**	**1 813**	**(1 132)**	**28 027**

[1] Other includes revenues from other mobile and non-mobile services, refer to definitions on page 30.
[2] Other revenues include mainly lease revenue.
[3] Please refer to note 1.

First half year 2018

(NOK in millions)	Norway	Sweden	Denmark	dtac Thailand	Digi Malaysia	Grameenphone Bangladesh	Pakistan	Myanmar	Broadcast	Other units	Eliminations	Group
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	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2 504**	**(1 628)**	**877**
Services	-	-	-	-	-	-	-	-	-	2 504	(1 628)	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**	**3 966**	**(2 799)**	**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[1]	778	352	142	248	182	107	86	40	-	-	(206)	1 728
Sum services in Mobile operation	**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	3 966	(2 799)	50 080
At a point in time	1 334	914	477	1 122	576	-	73	-	78	-	-	4 573
Total revenue	**12 751**	**6 238**	**2 473**	**9 498**	**6 545**	**6 061**	**3 707**	**3 213**	**2 998**	**3 966**	**(2 798)**	**54 653**
Segment revenue as presented in note 9	**12 751**	**6 238**	**2 473**	**9 498**	**6 545**	**6 061**	**3 707**	**3 213**	**2 998**	**3 966**	**(2 798)**	**54 653**

[1] Other includes revenues from other mobile and non-mobile services, refer to definitions on page 30.

Second quarter 2018

(NOK in millions)	Norway	Sweden	Denmark	dtac Thailand	Digi Malaysia	Grameenphone Bangladesh	Pakistan	Myanmar	Broadcast	Other units	Eliminations	Group
Type of good/ services												
Mobile operation	**3 829**	**2 187**	**1 125**	**4 715**	**3 282**	**3 109**	**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	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1 222**	**(798)**	**425**
Services	-	-	-	-	-	-	-	-	-	1 222	(798)	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**	**1 969**	**(1 426)**	**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[1]	413	185	82	106	96	60	41	20	-	-	(120)	882
Sum services in Mobile operation	**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	1 969	(1 426)	25 178
At a point in time	727	428	250	537	289	-	59	-	39	-	-	2 328
Total revenue	**6 458**	**3 043**	**1 255**	**4 714**	**3 282**	**3 110**	**1 931**	**1 659**	**1 511**	**1 969**	**(1 430)**	**27 503**
Segment revenue as presented in note 9	**6 458**	**3 043**	**1 255**	**4 714**	**3 282**	**3 110**	**1 931**	**1 659**	**1 511**	**1 969**	**(1 430)**	**27 503**

[1] Other includes revenues from other mobile and non-mobile services, refer to definitions on page 30.

Note 3 – Business combinations, discontinued operations and assets held for sale

Acquisition of DNA Plc

On 9 April 2019, Telenor Group entered into agreements to acquire 54% of the shares in the Finnish telecom operator DNA Plc from Finda Telecoms Oy and PHP Holding Oy (holding 28.3% and 25.8% respectively) for EUR 20.90 per share in cash. The total transaction price for 54% of the shares amounts to EUR 1.5 billion (approx. NOK 14.4 billion). The general meetings of the seller entities approved the transaction on 6 May 2019, and the European Commission approved the transaction as of 15 July 2019. Telenor expects the transaction to be completed in August 2019.

Completion of the transaction will trigger a mandatory public tender offer for the remaining outstanding shares in DNA by Telenor. The cash consideration per share to be offered in the mandatory tender offer will be EUR 20.90. Subject to the outcome of the mandatory tender offer, Telenor's intention is to keep DNA's listing on the Nasdaq Helsinki stock exchange.

Telenor and Axiata – discussions to merge Asian operations

Telenor Group and Axiata Group Berhad are in discussions regarding a potential non-cash combination of their telecom and infrastructure assets in Asia (MergeCo). It is anticipated that Telenor, based on equity value, will own 56.5% in MergeCo and Axiata will own 43.5%, both parties acknowledging that this is preliminary subject to adjustments and due diligence. There is no certainty that these discussions will result in any transaction agreement between the parties.

Telenor and Axiata aim to finalise agreements in relation to the proposed transaction within the third quarter of 2019 following due diligence. The transaction will be subject to approval by shareholders, receipt of regulatory approvals and other customary terms and conditions.

Discontinued operations and assets held for sale

During 2018, Telenor Banka in Serbia and Telenor Microfinance Bank in Pakistan (TMB) which were the two main contributors to the Financial Services segment, the operations in Central and Eastern Europe (CEE) and Telenor India were classified as assets held for sale and discontinued operations. Reference is made to note 4 of the Annual Report 2018 for details of each of the disposal groups.

Telenor India was disposed of on 14 May 2018, CEE was disposed of on 31 July 2018, and TMB was disposed of on 14 December 2018. Telenor Banka was disposed of on 20 February 2019.

The results of all disposal groups are presented as discontinued operations until disposal:

	Second quarter		First half year		Year
(NOK in millions)	2019	2018	2019	2018	2018
Revenue	-	3 552	18	7400	8 957
EBITDA	-	781	(3)	1 621	2 039
EBIT	-	785	(3)	1 175	1 599
Profit before tax	**-**	**713**	**(3)**	**1 061**	**1 507**
Income taxes	-	(102)	-	(190)	(202)
Profit after tax	**-**	**611**	**(3)**	**871**	**1 305**
Gain (loss) on disposal	(26)	-	33	-	3 468

In the statement of financial position as of 30 June 2019, the liability held for sale of NOK 1.8 billion relates to the exposure to claims from Indian Department of Telecommunications (DoT) related to the period the Group owned the business. The fair value of this guarantee was recognised as of closing date of the transaction with Bharti Airtel. Subsequent changes to the estimate are recognised on the discontinued operations line in the income statement.

In the statement of financial position as of 31 December 2018, Telenor India and Telenor Banka were classified as held for sale. Major classes of assets and liabilities of Telenor India and Telenor Banka classified as held for sale as of 31 December 2018:

(NOK in millions)	Telenor Banka	Telenor India	Total
Assets			
Other non-current assets	99	-	99
Trade and other receivables	396	-	396
Cash and cash equivalents	407	-	407
Total assets classified as held for sale	**902**	**-**	**902**
Liabilities			
Non-current liabilities	114	1 793	1 907
Current liabilities	1 063	-	1 063
Total liabilities held for sale	**1 177**	**1 793**	**2 970**

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 2018 for further information.

As of the first quarter of 2019, each USD 200,000 bond is exchangeable for an amount equal to 52,837 VEON ADSs (adjusted for VEON dividend and subject to further adjustments), which represents an exchange price of approximately USD 3.79. 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 264 million VEON ADSs (subject to certain adjustments), corresponding to approximately 15.0% of VEON's total share capital. As of 30 June 2019, the Group owns approximately 157 million VEON ADSs, corresponding to approximately 8.9% of VEON's total share capital.

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

	30 June 2019	
(NOK in millions)	Carrying amount	Fair value
Interest-bearing liabilities[1]	(87 765)	(91 586)
of which fair value level 1	-	(78 257)
of which fair value level 2	-	(13 329)

	31 December 2018	
(NOK in millions)	Carrying amount	Fair value
Interest-bearing liabilities[1]	(58 960)	(61 166)
of which fair value level 1	-	(49 534)
of which fair value level 2	-	(11 632)

	30 June 2018	
(NOK in millions)	Carrying amount	Fair value
Interest-bearing liabilities[1]	(68 810)	(72 010)
of which fair value level 1	-	(47 811)
of which fair value level 2	-	(24 199)

[1] Excluding lease liabilities. Comparative figures have been restated accordingly.

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 2018 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 2019	31 December 2018	30 June 2018
Other non-current assets	1 907	1 737	2 222
Other current financial assets	477	269	403
Non-current non-interest-bearing liabilities	(978)	(1 696)	(1 166)
Non-current interest-bearing liabilities	-	-	(3)
Current non-interest-bearing liabilities	(880)	(388)	(261)
Total	**526**	**(78)**	**1 195**

Note 6 – Legal disputes

Grameenphone

BTRC – Audit

In 2015, Bangladesh Telecommunication Regulatory Commission (BTRC) started a tax and regulatory audit of Grameenphone for the period 1997 to 2014. Grameenphone received a draft report from BTRC in August 2018 and provided its response in September 2018. On 2 April 2019, Grameenphone received a demand notice from BTRC for payment of NOK 8.7 billion to BTRC (including interest of NOK 6.3 billion till December 2017) and NOK 4.2 billion to National Board of Revenue (NBR), total demand amounting to NOK 12.9 billion. Grameenphone considers the demand unfounded and without legal basis, and has responded to the demand on 16 April 2019 requesting the demand to be withdrawn. As the parties are in disagreement with respect to the claim, GP sent a notice of arbitration to BTRC on the 24 June 2019. On 4 July 2019, due to GP's non-payment, BTRC instructed the country's five International Internet Gateway companies to limit GP's bandwidth capacity with 30% and not increase until further notice. In response, on 6 July 2019, Grameenphone requested BTRC to withdraw the direction and to participate in the arbitration process which has already commenced.

SIM tax on replacement SIM cards

The Large Tax Payer Unit-VAT has issued three notices to Grameenphone claiming SIM tax of total NOK 1.5 billion (excl. interest) on the replacement of SIM cards issued during three time periods from July 2007 to June 2015. In June 2019, the VAT Appellate Tribunal gave a decision in GP's disfavor in one of the three periods (between July 2012 and June 2015), and upheld the claim of NOK 381 million, excl. interest. GP will appeal the decision to the High Court Division of the Supreme Court.

Telenor in India

Telenor and the Indian Department of Telecommunications (DoT) have a number of disputes relating to Telenor's previous operations in India. One of those is related to the basis for calculation of the license fees and spectrum usage charges. The determination of how the license fees and spectrum usage charges shall be calculated is a principal matter currently pending at the Indian Supreme Court, and is common to all industry participants. During 2019, DoT has issued revised notices raising the total demand to NOK 2.7 billion, including penalty and interest, against Telenor's Indian subsidiaries.

Dtac

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

On 17 May 2006, the National Broadcasting and Telecommunications Commission (NBTC) issued a notification on use and interconnection of telecommunications network, applicable to telecommunication licensees who have their own telecommunication networks (the Notification). The Notification required the licensees to interconnect with each other on request, where an interconnection provider is entitled to apply an interconnection charge that reflects its costs. On 17 November 2006, dtac issued a written notification informing TOT Public Company Limited (TOT) and CAT Telecom Public Company Limited (CAT) that dtac would no longer apply the rates for calculating the access charge under the Access Charge Agreements entered into with TOT prior to the issuance of the Notification. In dtac's view, the rate and the collection of access charge under the Access Charge Agreements were, in certain respects, contrary to the law. dtac also informed TOT and CAT that it would pay the interconnection charge to TOT when dtac and TOT have entered into an interconnection charge agreement in accordance with the Notification. TOT has refused to enter into such agreement.

On 9 May 2011, TOT filed a complaint with the Central Administrative Court in Thailand requiring the court to order dtac and CAT to jointly pay an access charge to TOT, together with default interests, in the amount of approximately NOK 31.5 billion. On 10 October 2014, TOT increased its claim to dtac to a total of approximately NOK 68.3 billion, including interest fee, penalty charge and VAT surcharge.

On 31 May 2019, the Central Administrative Court issued a verdict dismissing TOT's claim on access charges against dtac in its entirety. The Court views that the access charge rate is against the Notification and that the telecommunication operators are required to calculate the interconnection charge rates in accordance with the said Notification. Information on whether TOT has appealed against the Central Administrative Court's verdict within the deadline of 1st July 2019, is not publically available. dtac is awaiting an official confirmation from the Central Administrative Court.

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

On 10 January 2019, CAT and dtac entered into a settlement agreement covering all legal disputes between the parties regarding the concession agreement, including the dispute related to porting of dtac's subscribers to its subsidiary dtac TriNet. The settlement does not comprise the industry cases related to revenue sharing concerning excise tax and interconnection charges. According to the settlement, dtac should pay a total amount of THB 9.51 billion (around NOK 2.5 billion) to CAT in various installments. dtac's Annual General Meeting approved the settlement on 4 April 2019 and a total of NOK 2.3 billion has been paid during the second quarter 2019. In accordance with the settlement agreement, the remaining installment of NOK 0.2 billion will be paid when the remaining court case is withdrawn from court..

Telenor Norway

EFTA Surveillance Authority (ESA) and the Norwegian Competition Authority (NCA) initiated an inspection of Telenor Norge AS on 4 December 2012 based on the suspected abuse of a dominant position and/or anti-competitive collaboration in the Norwegian mobile market. Telenor's position in both cases is that it has not breached the competition law. It will still take time before final conclusions are reached.

ESA

On 1 February 2016, the ESA sent a Statement of Objection (SO) to Telenor, setting out its preliminary views in respect of the possible abuse of Telenor's dominant position in the Norwegian mobile market, in relation to margin squeeze in the segment mobile broadband standalone to consumers in Norway (2008-2012) and lock-in agreements at a subscription level to business customers in Norway. ESA is considering imposing a fine, but has not suggested a fine amount.

On 24 June 2019, ESA issued a Supplementary SO (SSO) regarding the margin squeeze, indicating a limitation in scope. The SSO is not a final decision and Telenor will comment on this. Further, ESA has on the same date closed the investigation related to the lock-in agreements. Hence, this part of the case is closed.

NCA

The case relates to a past (2010-2014) alleged breach of the prohibition against abuse of a dominant position for the pricing model in one mobile wholesale agreement. The NCA's concern relates to the roll-out of the third mobile network in Norway. On 21 June 2018, the NCA issued a decision where it imposes a fine of NOK 788 million. Telenor appealed the decision to the Competition Complaint Board on 20 December 2018. In a decision 19 June 2019, the Competition Complaint Board sustains the NCA fine, but with a split decision. Telenor plans to appeal the decision by the Competition Complaint Board to the Gulating Court of appeal.

Note 7 – Equity information

Dividend

On 7 May 2019 the Annual General Meeting approved a dividend of NOK 8.40 to be paid out in two tranches of NOK 4.40 and NOK 4.00 on 21 May 2019 and 24 October 2019 respectively. The first tranche of NOK 4.40 was paid out on 21 May 2019, with ex-dividend date of 8 May 2019. The second tranche of NOK 4.00 will have ex-dividend date of 10 October 2019.

Note 8 – Events after reporting period

Reduction of share capital

On 2 July 2019, Telenor ASA reduced the share capital with a total of NOK 173,999,994 in accordance with the resolution of the Annual General Meeting 7 May 2019. This was done by cancelling 13,350,090 own shares that were repurchased in the open market under the 2018-2019 share buyback programme, and by redeeming 15,649,909 shares held by the Kingdom of Norway through the Ministry of Trade, Industry and Fisheries. The share capital subsequent to the capital reduction is NOK 8,654,748,192 divided into 1,442,458,032 shares, each with a par value of NOK 6.00.

Digi – Malaysia

On 12 July 2019, the Board of Directors of Digi declared the second interim dividend for 2019 of MYR 0.05 per share, which corresponds to approximately NOK 0.8 billion total dividend and approximately NOK 0.4 billion for Telenor's ownership share.

Grameenphone – Bangladesh

On 14 July 2019, the Board of Directors of Grameenphone Ltd. declared interim dividend for 2019 of BDT 9.0 per share, which corresponds to approximately NOK 1.2 billion total dividend and approximately NOK 0.7 billion for Telenor's ownership share.

dtac – Thailand

On 15 July 2019, the Board of Directors of dtac declared the interim dividend for 2019 of THB 1.26 per share, which corresponds to approximately NOK 0.8 billion total dividend and approximately NOK 0.5 billion for Telenor's ownership share.

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

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. The accounting principles for the segment reporting are consistent with those applied by the Group before the implementation of IFRS 16 Leases, meaning that the effects of IFRS 16 in 2019 are excluded in the segment reporting. For 2018, the segment reporting has been restated to include the effects of IFRS 15 *Revenue from Contracts with Customers.*

Second quarter 2019

	Total revenues			of which internal		EBITDA before other income and other expenses[1]				Investments[2]	
(NOK in millions)	2019	2018	Growth	2019	2018	2019	Margin	2018	Margin	2019	2018
Norway	6 289	6 458	(2.6%)	120	133	2 717	43.2%	2 766	42.8%	1 378	928
Sweden	2 938	3 043	(3.4%)	16	15	971	33.0%	980	32.2%	330	301
Denmark	1 195	1 255	(4.8%)	32	25	265	22.2%	267	21.3%	120	85
dtac – Thailand	5 541	4 714	17.5%	12	19	1 797	32.4%	1 896	40.2%	637	754
Digi – Malaysia	3 228	3 282	(1.6%)	5	3	1 574	48.8%	1 566	47.7%	538	536
Grameenphone – Bangladesh	3 683	3 110	18.4%	-	-	1 992	54.1%	1 871	60.2%	363	428
Pakistan	1 589	1 931	(17.7%)	49	76	695	43.8%	966	50.0%	422	252
Myanmar	1 438	1 659	(13.4%)	32	48	582	40.5%	727	43.8%	120	236
Broadcast	1 446	1 511	(4.3%)	60	56	486	33.6%	500	33.1%	95	77
Other units	1 813	1 969	(7.9%)	805	1 054	14	0.8%	(58)	nm	105	65
Eliminations	(1 132)	(1 430)	(20.8%)	(1 132)	(1 430)	(5)	0.5%	(143)	10.0%	-	-
Group (IAS 17)	**28 027**	**27 503**	**1.9%**	**-**	**-**	**11 087**	**39.6%**	**11 337**	**41.2%**	**4 109**	**3 662**
IFRS 16 adjustments	(65)					1 224	nm			-	
Group (IFRS 16)	**27 962**					**12 311**	**44.0%**			**4 109**	

First half year 2019

	Total revenues			of which internal		EBITDA before other income and other expenses[1]				Investments[2]	
(NOK in millions)	2019	2018	Growth	2019	2018	2019	Margin	2018	Margin	2019	2018
Norway	12 540	12 751	(1.7%)	244	216	5 466	43.6%	5 531	43.4%	2 357	1 648
Sweden	5 985	6 238	(4.1%)	28	25	1 966	32.9%	2 038	32.7%	640	602
Denmark	2 404	2 473	(2.8%)	60	47	526	21.9%	496	20.1%	190	179
dtac – Thailand	10 888	9 498	14.6%	27	40	3 474	31.9%	3 963	41.7%	1 820	1 369
Digi – Malaysia	6 390	6 545	(2.4%)	13	5	3 080	48.2%	3 108	47.5%	894	898
Grameenphone – Bangladesh	7 253	6 061	19.7%	-	-	4 154	57.3%	3 566	58.8%	788	2 405
Pakistan	3 332	3 707	(10.1%)	82	112	1 555	46.7%	1 830	49.4%	808	499
Myanmar	2 766	3 213	(13.9%)	66	104	1 019	36.8%	1 394	43.4%	323	442
Broadcast	2 894	2 998	(3.5%)	116	114	953	32.9%	991	33.1%	177	148
Other units	3 545	3 966	(10.6%)	1 624	2 134	83	2.3%	(106)	nm	155	191
Eliminations	(2 260)	(2 798)	(19.2%)	(2 260)	(2 798)	(14)	0.6%	(134)	4.8%	-	-
Group (IAS 17)	**55 737**	**54 653**	**2.0%**	**-**	**-**	**22 262**	**39.9%**	**22 677**	**41.5%**	**8 151**	**8 381**
IFRS 16 adjustments	(130)					2 474	nm			-	
Group (IFRS 16)	**55 607**					**24 736**	**44.5%**			**8 151**	

[1] The segment profit is EBITDA before other income and other expenses.
[2] Investments consist of capex and investments in businesses.

Reconciliation

	Second quarter		First half year		Year
(NOK in millions)	2019	2018	2019	2018	2018
EBITDA	**12 219**	**10 962**	**24 652**	**22 127**	**42 247**
Other income	205	9	435	46	63
Other expenses	(297)	(384)	(520)	(597)	(3 267)
EBITDA before other income and other expenses	**12 311**	**11 337**	**24 736**	**22 677**	**45 451**

Responsibility statement

We confirm that, to the best of our knowledge, the condensed consolidated interim financial statements for the first half of 2019, 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 2019 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 2019, and major related party transactions.

Fornebu, 15 July 2019

Gunn Wærsted
Chair

Jørgen Kildahl
Vice Chair of the Board

Jon Erik Reinhardsen
Board member

Jacob Aqraou
Board member

René Richard Obermann
Board member

Sally Davis
Board member

Grethe Viksaas
Board member

Esben Smistad
Employee representative

Anita Helen Steine
Employee representative

Jan Otto Eriksen
Employee representative

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 9 and internal reporting to Group Executive Management (chief operating decision makers) and are consistent with financial information used for assessing performance and allocating resources. These numbers are disclosed and reconciled to the financial statements in note 1.

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[1)]

(NOK in millions)	Change second quarter 2019	Change YoY	Change second quarter 2018	Change YoY	Change first half year 2019	Change YoY
Segment revenue growth[1)]	525	1.9%	(847)	(3.0%)	1 084	2.0%
Impact using exchange rates for 2019 and 2018	(393)		714		(875)	
M&A	33		(141)		42	
Organic revenue growth	**165**	**0.6%**	**(274)**	**(1.0%)**	**251**	**0.5%**

[1)] See note 9.

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 2019	Change YoY	Change second quarter 2018	Change YoY	Change first half year 2019	Change YoY
Subscription and traffic revenue growth	188	0.9%	(496)	(2.3%)	616	1.5%
Impact using exchange rates for 2019 and 2018	(347)		591		(771)	
M&A	-		-		-	
Organic subscription and traffic revenue growth	**(159)**	**(0.7%)**	**95**	**0.4%**	**(155)**	**(0.4%)**

Subscription and traffic revenues

	Second quarter		First half year		Year
(NOK in millions)	2019	2018	2019	2018	2018
Mobile subscription and traffic	17 755	17 430	35 373	34 504	69 237
Fixed telephony	313	390	657	812	1 559
Fixed Internet/TV	2 249	2 230	4 515	4 463	8 927
Fixed data services	162	164	322	329	663
Canal Digital DTH	1 046	1 124	2 102	2 245	4 439
Subscription and traffic revenues	**21 526**	**21 337**	**42 969**	**42 353**	**84 825**
Other revenues	6 502	6 165	12 768	12 300	25 537
Total revenues	**28 027**	**27 503**	**55 737**	**54 653**	**110 362**

Gross profit

Gross profit is a key financial parameter for Telenor and is derived directly from the income statement as the difference of total revenues and costs of materials and traffic charges. Gross profit reflects the profitability contribution of Telenor's revenue growth in its markets and therefore describes Telenor's potential for sustainable value creation, making gross profit a key financial parameter to follow. It is also used for internal performance analysis.

Reconciliation

	Second quarter		First half year		Year
(NOK in millions)	2019	2018	2019	2018	2018
Total revenue	28 027	27 503	55 737	54 653	110 362
Costs of materials and traffic charges	(6 919)	(6 478)	(13 774)	(12 665)	(26 180)
Gross Profit	**21 109**	**21 025**	**41 962**	**41 988**	**84 182**

Operating expenditures (opex)

Operating expenses (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 continuous effort to improve efficiency makes opex a key financial parameter to follow. It is also used for internal performance analysis.

Reconciliation

	Second quarter		First half year		Year
(NOK in millions)	2019	2018	2019	2018	2018
Salaries and personnel cost[1)]	(2 694)	(2 755)	(5 418)	(5 534)	(10 723)
Other operating expenditures[1)]	(7 328)	(6 933)	(14 283)	(13 777)	(28 008)
Operating expenditures	**(10 022)**	**(9 687)**	**(19 700)**	**(19 310)**	**(38 731)**

1) See note 1.

EBITDA before other income and other expenses

Earnings before interest, tax, depreciation and amortisation (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 depreciation and amortisation expense related primarily to capital expenses 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.

EBITDA margin[1)]

	Second quarter		First half year		Year
(NOK in millions)	2019	2018	2019	2018	2018
Total revenue	28 027	27 503	55 737	54 653	110 362
EBITDA before other items[1)]	11 087	11 337	22 262	22 677	45 451
EBITDA margin	**39.6%**	**41.2%**	**39.9%**	**41.5%**	**41.2%**

1) See note 9.

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 2019	Change YoY	Change second quarter 2018	Change YoY	Change first half year 2019	Change YoY
EBITDA growth	(250)	(2.2%)	(306)	(2.6%)	(415)	(1.8%)
Impact using exchange rates for 2019 and 2018	(174)		368		(418)	
M&A	(12)		(11)		(14)	
Organic EBITDA growth	**(436)**	**(3.8%)**	**51**	**0.5%**	**(847)**	**(3.7%)**

Capital expenditures

Capital expenses (capex) are derived from the balance sheet based on accounting principles prior to implementation of IFRS 16, as presented in note 1 and consists of 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 the purchases of property, plant and equipment (PPE) and intangible assets in the cash flow statement.

Reconciliation

	Second quarter		First half year		Year
(NOK in millions)	2019	2018	2019	2018	2018
Purchases of PPE and intangible assets (cash flow statement)	4 845	3 531	10 834	9 087	21 011
Working capital movement in respect of capital expenditure	(737)	(292)	(2 683)	(1 003)	782
Capitalized prepaid operational lease	-	-	-	-	-
Deferred licence obligations	-	419	-	419	9 610
Discontinued operations	-	7	-	(152)	(158)
Capital expenditures	**4 109**	**3 666**	**8 151**	**8 352**	**31 245**
Licence and spectrum fee – capitalized	(7)	(245)	(7)	(1 863)	(14 469)
Capital expenditures excluding licence and spectrum fee	**4 102**	**3 420**	**8 145**	**6 489**	**16 776**
Revenue	28 027	27 503	55 737	54 653	110 362
Capex excl. Licences and spectrum/Revenues (%)	**14.6%**	**12.4%**	**14.6%**	**11.9%**	**15.2%**

Investments

Investments consist of capex and investments in businesses. Investments in businesses comprise acquisitions of shares and participations, including acquisitions of subsidiaries and businesses not organized as separate companies. Investments (or total investments) is deemed to better gauge the actual investments for the period than in the purchases of property, plant and equipment (PPE) and intangible assets line items in the cash flow statement.

	Second quarter		First half year		Year
(NOK in millions)	2019	2018	2019	2018	2018
Capital expenditures	4 109	3 666	8 151	8 352	31 245
Investments in businesses	-	(3)	-	29	114
Total investments	**4 109**	**3 662**	**8 151**	**8 381**	**31 359**

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

Net debt is derived from the balance sheet based on accounting principles prior to implementation of IFRS 16, as presented in note 1 and consists of both current and non-current interest-bearing liabilities, current and non-current lease liabilities less related current and non-current hedging instruments, financial instruments, such as debt instruments and derivatives, and cash and cash equivalents. Net debt is adjusted for licence obligations.

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.

Reconciliation

(NOK in millions)	30 June 2019	30 June 2018	Year 2018
Non-current interest-bearing liabilities	73 982	45 542	55 120
Non-current lease liabilities	623	785	805
Current interest-bearing liabilities	25 704	25 518	15 687
Current lease liabilities	50	51	54
Less:			
Cash and cash equivalents	(42 373)	(18 578)	(18 492)
Hedging instruments	(1 862)	(1 379)	(1 492)
Financial instruments	(314)	(346)	(350)
Adjustments:			
Licence obligations	(11 921)	(2 250)	(11 847)
Net interest-bearing debt excluding licence obligations	**43 889**	**49 343**	**39 485**

Net debt/EBITDA

Telenor aims to maintain a solid balance sheet through keeping Net debt/EBITDA below 2.0x in order to maintain financial flexibility and ensure cost efficient funding. The measure provides useful information about the strength of our financial position and is regularly reported internally.

	Second quarter		Year
(NOK in millions)	2019	2018	2018
Net debt	43 889	49 343	39 485
EBITDA	42 412	44 667	42 247
Net debt/EBITDA	**1.03**	**1.10**	**0.93**

Free cash flow

Telenor makes use of Free cash flow and Free cash flow before M&A activities as important performance measures when presenting and discussing our reported results. We believe it is both useful and necessary to communicate Free cash flow and Free cash flow before M&A activities for the following reasons:

- Free cash flow and Free cash flow before M&A activities allow us and investors to evaluate Telenor's liquidity and cash generated by our operations.
- Free cash flow excludes items that are deemed discretionary, such as Financing activities. In addition, Free cash flow before M&A activities excludes cash flows relating to acquisitions and disposals of businesses.
- Free cash flow facilitates comparability with other companies, although our measure of free cash flow may not be directly comparable to similar titled measures used by other companies.

These measures are used for management planning, reporting and incentive purposes.

A reconciliation of Net cash flow from operating activities and Investing activities to Free cash flow and Free cash flow before M&A activities is provided in the table below. Net cash flow from operating activities and Investing activities is the closest equivalent of GAAP measures and is based on accounting principles prior to implementation of IFRS 16 as presented in note 1.

Reconciliation

	Second quarter		First half year		Year
(NOK in millions)	2019	2018	2019	2018	2018
Net cash flows from operating activities	5 044	8 756	13 220	17 363	36 394
Net cash flows from investing activities	(4 579)	(4 387)	(9 576)	(9 896)	(613)
Repayments of borrowings – licence obligations	(125)	(410)	(332)	(410)	(740)
Net repayments of borrowings – supply chain financing	81	75	(40)	(91)	43
Dividends paid to and purchase of shares from non-controlling interest	(1 312)	(1 021)	(1 709)	(1 379)	(3 095)
Free cash flow	**(891)**	**3 012**	**1 562**	**5 587**	**31 989**
M&A activities	55	875	(909)	854	(20 298)
Free cash flow before M&A activities	**(836)**	**3 887**	**653**	**6 441**	**11 691**

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 subscriptions and services related to machine-to-machine (M2M) / Internet of Things (IoT), i.e. industrial mobile data applications directed at communication between machines.

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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