

Q3 2006

In the third quarter of 2006, Telenor's revenues amounted to NOK 23.9 billion, which was an increase of 35% compared to the third quarter of 2005. Profit before taxes was NOK 6.1 billion.



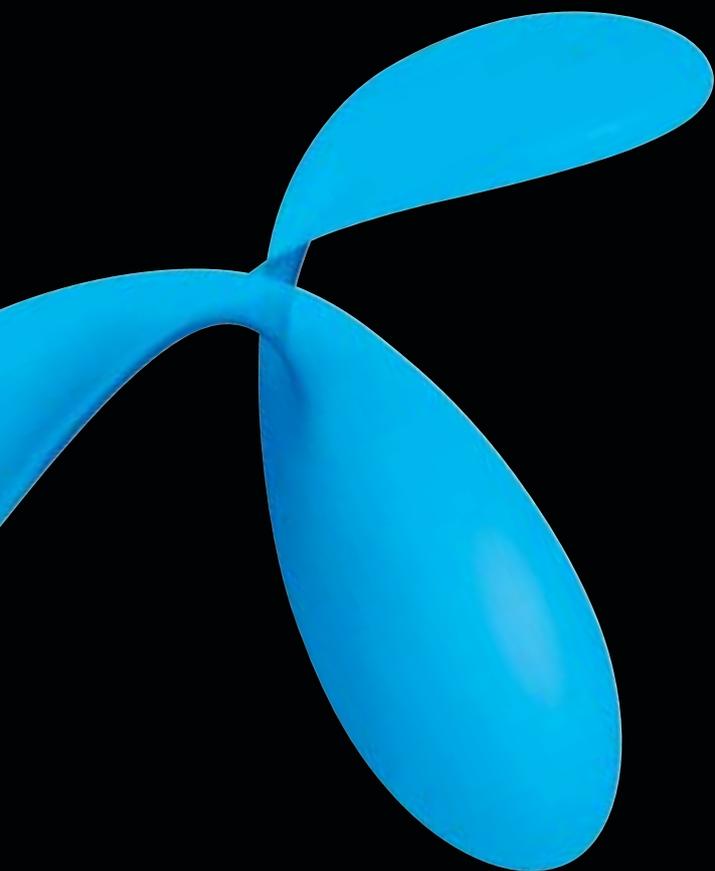
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Strong financial performance

HIGHLIGHTS THIRD QUARTER 2006:

- Revenue growth of 35% – underlying growth of 12%
- Record high EBITDA margin
- Improved results in Nordic mobile operations
- Continued impressive performance in Kyivstar
- Telenor Serbia consolidated from 1 September



President and CEO
Jon Fredrik Baksaas

'I'm very happy to present a strong operational and financial quarter. We have achieved excellent results with continued high growth in subscriptions and revenues, combined with a record high EBITDA margin. Most of our operations improved their margins compared to last year. We are especially satisfied with the performance of our Nordic mobile operations where we are seeing good improvement. At the same time Kyivstar and GrameenPhone continue to impress, delivering solid performances.

We have expanded our footprint in the Balkans and are pleased to now include Telenor Serbia in the Group. We are looking forward to developing the company together with our other operations in this region', said President and CEO of Telenor, Jon Fredrik Baksaas.

KEY FIGURES

(NOK in millions except earnings per share)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	2005
Revenues	23 868	17 641	68 320	49 453	68 927
EBITDA before other income and expenses	9 297	6 598	25 174	17 247	24 078
EBITDA before other income and expenses/Revenues (%)	39.0	37.4	36.8	34.9	34.9
Adjusted operating profit	5 548	3 696	14 336	8 890	12 534
Adjusted operating profit/Revenues (%)	23.2	21.0	21.0	18.0	18.2
Profit after taxes and minority interests (Net income)	3 781	2 200	9 715	5 951	7 646
Earnings per share from total operations, basic, in NOK	2.25	1.30	5.76	3.47	4.47
Capex	4 816	3 720	12 941	10 003	16 439
Investments in businesses	12 333	5 824	22 104	6 138	8 858
Net interest-bearing liabilities			47 278	21 838	30 858

EXTRACT FROM OUTLOOK FOR 2006

We have adjusted the outlook for the full year. For 2006, Telenor expects a revenue growth of around 35% with an EBITDA margin before other income and expenses of around 36%. Capital expenditure, as a proportion of revenues, is expected to be around 20%.

Please refer to page 9 for the full outlook for 2006, and page 20 for definitions.

Telenor's Operations

Unless otherwise stated, the statements below are related to Telenor's development in the third quarter of 2006 compared to the third quarter of 2005.

Nordic Mobile Operations

Telenor Mobile – Norway

(NOK in millions)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	2005
Subscription and traffic	2 264	2 098	6 457	6 028	8 148
Interconnection revenues	443	441	1 363	1 300	1 754
Mobile revenues company's subscriptions	2 707	2 539	7 820	7 328	9 902
Other mobile revenues	624	484	1 661	1 299	1 825
Total mobile revenues	3 331	3 023	9 481	8 627	11 727
Non-mobile revenues	127	98	355	381	516
Total revenues¹⁾	3 458	3 121	9 836	9 008	12 243
¹⁾ Of which internal revenues	221	299	744	890	1 171
EBITDA	1 513	1 218	4 201	3 285	4 471
Depreciation and amortization ²⁾	206	224	637	667	889
Write-downs	-	4	33	14	16
Operating profit	1 307	990	3 531	2 604	3 566
²⁾ Of which amortization of Telenor's net excess values	1	1	3	3	4
EBITDA/Total revenues (%)	43.8	39.0	42.7	36.5	36.5
Operating profit/Total revenues (%)	37.8	31.7	35.9	28.9	29.1
Capex	220	220	492	757	1 218
ARPU – monthly (NOK)	331	314	320	306	309
No. of subscriptions (in thousands)			2 711	2 736	2 731

- The number of subscriptions increased by 2,000, while the estimated market share remained stable at 55% compared to the previous quarter.
- The increase in ARPU was mainly related to increased average usage per subscription (AMPU).
- Total mobile revenues increased by 10%. Mobile revenues from own subscriptions were positively affected by increase in ARPU, partially offset by price regulation of mobile termination charges introduced from 1 July 2006. Other mobile revenues increased due to increased sales of capacity on a wholesale basis and were also positively affected by a reversal of provision of NOK 107 million related to the Sense case mentioned below.
- Non-mobile revenues increased due to higher sales of customer equipment.
- Adjusted for the provision related to Sense and for a NOK 43 million positive one-time effect related to change of pension plan (see page 9), the EBITDA margin was 41%. The increase in EBITDA margin was mainly driven by higher revenues.
- Capital expenditure was stable compared to the third quarter last year, but increased from the previous quarter due to higher investments related to UMTS, GSM and IS/IT.
- The Reitan Group/Sense case against Telenor Mobil for charging excessive reseller prices was rejected by the Supreme Court 15 September 2006.

Sonofon – Denmark

(NOK in millions)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	2005
Subscription and traffic	693	600	1 945	1 766	2 361
Interconnection revenues	327	325	1 013	953	1 300
Mobile revenues company's subscriptions	1 020	925	2 958	2 719	3 661
Other mobile revenues	169	181	466	482	638
Total mobile revenues	1 189	1 106	3 424	3 201	4 299
Non-mobile revenues	239	250	704	656	892
Total revenues¹⁾	1 428	1 356	4 128	3 857	5 191
¹⁾ Of which internal revenues	55	43	133	98	132
EBITDA	390	307	1 002	868	1 176
Depreciation and amortization ²⁾	280	308	837	989	1 285
Operating profit (loss)	110	(1)	165	(121)	(109)
²⁾ Of which amortization of Telenor's net excess values	138	131	407	422	555
EBITDA/Total revenues (%)	27.3	22.6	24.3	22.5	22.7
Operating profit/Total revenues (%)	7.7	nm	4.0	nm	nm
Capex	168	137	447	305	1 062
Investments in businesses	-	-	-	-	4
ARPU – monthly (NOK)	257	243	251	242	243
No. of subscriptions (in thousands)			1 342	1 261	1 284

Compared to the third quarter of 2005, the Norwegian Krone depreciated against the Danish Krone by approximately 2% in the third quarter of 2006.

- In the third quarter of 2006 the number of subscriptions increased by 32,000.
- Sonofon's estimated market share remained stable at 27% compared to the previous quarter.
- ARPU in local currency increased by 4% mainly driven by higher AMPU partially offset by lower average prices.
- Total revenues in local currency increased by 4%. Revenues from Subscription and traffic increased as a result of a higher subscription base and increased average usage. This was partially offset by the price regulation of mobile termination charges introduced from 1 May 2006.
- EBITDA measured in local currency increased by 25% primarily driven by higher revenues and contribution from the larger customer base combined with cost efficiency initiatives and lower costs related to sales and marketing activities.
- Sonofon terminated its backbone agreement with Telia and is now using its own fibre network. NOK 36 million have been expensed due to terminating the agreement, however the termination will have a positive effect on costs going forward.
- Depreciation and amortization decreased mainly as a result of certain assets becoming fully depreciated.
- Increased capital expenditure was primarily related to roll-out of the 3G network.
- At the end of September Sonofon launched 3G services and is now offering high-speed mobile data connections, 10 months after purchasing the licence.

Telenor Mobile – Sweden

(NOK in millions)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	2005
Subscription and traffic	1 050	34	2 924	104	130
Interconnection revenues	219	15	660	48	60
Mobile revenues					
company's subscriptions	1 269	49	3 584	152	190
Other mobile revenues	133	19	318	44	54
Total mobile revenues	1 402	68	3 902	196	244
Non-mobile revenues	148	-	379	-	-
Total revenues ¹⁾	1 550	68	4 281	196	244
¹⁾ Of which internal revenues	42	39	117	100	124
EBITDA	371	(139)	782	(167)	(476)
Depreciation and amortization ²⁾	435	-	1 188	-	-
Write-downs	6	-	6	-	-
Operating loss	(70)	(139)	(412)	(167)	(476)
²⁾ Of which amortization of Telenor's net excess values	260	-	376	-	-
EBITDA/Total revenues (%)	23.9	nm	18.3	nm	nm
Capex	112	-	384	-	-
Investments in businesses	-	-	7 747	-	-
ARPU – monthly (NOK)	249	164	240	165	158
No. of subscriptions (in thousands)			1 708	97	95

Mobile Sweden is consolidated with effect from 5 January 2006. Compared to the third quarter of 2005, the Norwegian Krone depreciated against the Swedish Krone by approximately 3% in the third quarter of 2006.

The following comments are related to the third quarter of 2006 compared to the second quarter of 2006.

- The number of subscriptions increased by 32,000.
- Mobile Sweden's estimated market share remained stable at 17% compared to the previous quarter.
- Total revenues in local currency increased by 6% due to increased share of contract subscriptions and stronger seasonal roaming revenues.
- The increase in EBITDA margin was due to higher revenues and lower costs related to sales and marketing activities. EBITDA in local currency increased by 51%.

Central Eastern European Operations

Kyivstar – Ukraine

(NOK in millions)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	2005
Subscription and traffic	2 321	1 437	6 022	3 402	5 122
Interconnection revenues	606	541	1 696	1 282	1 888
Mobile revenues					
company's subscriptions	2 927	1 978	7 718	4 684	7 010
Other mobile revenues	82	72	168	125	158
Total mobile revenues	3 009	2 050	7 886	4 809	7 168
Non-mobile revenues	16	26	48	73	104
Total revenues ¹⁾	3 025	2 076	7 934	4 882	7 272
¹⁾ Of which internal revenues	5	2	6	5	6
EBITDA	1 827	1 148	4 855	2 691	4 050
Depreciation and amortization ²⁾	395	322	1 155	884	1 209
Write-downs	13	-	13	-	15
Operating profit	1 419	826	3 687	1 807	2 826
²⁾ Of which amortization of Telenor's net excess values	23	24	70	69	93
EBITDA/Total revenues (%)	60.4	55.3	61.2	55.1	55.7
Operating profit/Total revenues (%)	46.9	39.8	46.5	37.0	38.9
Capex	992	1 106	2 592	2 760	3 650
ARPU – monthly (NOK)	57	66	55	60	61
No. of subscriptions (100% in thousands)			17 709	10 943	13 925

At the end of the third quarter of 2006, Telenor's ownership interest in Kyivstar was 56.5%. Compared to the third quarter of 2005, the Norwegian Krone appreciated against the Ukrainian Hryvnia by approximately 4% in the third quarter of 2006.

- The number of subscriptions increased by 1.7 million during the third quarter of 2006 and by 6.8 million compared to the third quarter of 2005.
- Kyivstar maintained its position as market leader with an estimated market share of 44%, in line with the previous quarter.
- ARPU in local currency decreased by 10% compared to the third quarter of 2005 mainly due to lower average prices as a result of increased competition and penetration.
- The steady increase in AMPU has partially offset the drop in average prices compared to last year. Average prices have however remained stable over the last three quarters.
- Total revenues in local currency increased by 48% due to a significant increase in the number of subscriptions, partially offset by lower ARPU.
- The EBITDA margin increased by 5.1 percentage points mainly due to increased revenues, while operating expenses in proportion of revenues decreased. EBITDA in local currency increased by 62%, primarily due to higher revenues.
- Capital expenditure was mainly related to increased capacity to accommodate the subscription growth. The decrease in capital expenditure was primarily a result of lower prices from suppliers.

Pannon – Hungary

(NOK in millions)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	2005
Subscription and traffic	940	1 025	2 779	2 808	3 768
Interconnection revenues	415	416	1 215	1 304	1 735
Mobile revenues					
company's subscriptions	1 355	1 441	3 994	4 112	5 503
Other mobile revenues	45	52	103	124	144
Total mobile revenues	1 400	1 493	4 097	4 236	5 647
Non-mobile revenues	64	90	207	260	414
Total revenues¹⁾	1 464	1 583	4 304	4 496	6 061
¹⁾ Of which internal revenues	3	2	8	6	10
EBITDA	581	650	1 688	1 651	2 185
Depreciation and amortization ²⁾	251	294	784	886	1 171
Write-downs	-	1	33	3	7
Operating profit	330	355	871	762	1 007
²⁾ Of which amortization of Telenor's net excess values	79	86	242	261	345
EBITDA/Total revenues (%)	39.7	41.1	39.2	36.7	36.1
Operating profit/Total revenues (%)	22.5	22.4	20.2	16.9	16.6
Capex	168	150	474	502	763
ARPU – monthly (NOK)	150	166	151	162	162
No. of subscriptions (in thousands)			2 981	2 856	2 929

Compared to the third quarter of 2005, the Norwegian Krone appreciated against the Hungarian Forint by approximately 8% in the third quarter of 2006.

- In the third quarter of 2006 the number of subscriptions increased by 34,000.
- Pannon's market share remained stable at 33% compared to the previous quarter.
- ARPU in local currency decreased slightly. Higher AMPU partially offset lower average prices.
- Total mobile revenues in local currency increased by 2%. Lower traffic revenues, mainly as a result of price erosion, were more than offset by the effect from a higher share of contract subscriptions and higher interconnection revenues.
- Non-mobile revenues decreased due to lower sale of handsets.
- The EBITDA margin declined by 1.3 percentage points primarily due to higher interconnection costs in the third quarter of 2006 and positive one-time adjustments in the third quarter of 2005. Measured in local currency, EBITDA decreased by 3%.
- 4 October 2006, the Hungarian regulator (NHH) published a decision regarding mobile interconnection charges. According to the decision all mobile operators must implement symmetric cost based termination rates of HUF 16.84 by 1 January 2009. The charges for Pannon should be reduced to HUF 24.4, from HUF 29.44, when the decision enters into force in February 2007 and to HUF 20.29 from 1 January 2008. The operators must either accept the fees calculated by NHH or build their own model according to requirements made by the regulator. For 2007, the estimated effect on EBITDA is limited.

Telenor – Serbia

(NOK in millions)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	2005
Total revenues	175	-	175	-	-
EBITDA	103	-	103	-	-
Operating profit¹⁾	86	-	86	-	-
Capex	49	-	49	-	-
Investments in businesses	11 980	-	11 980	-	-
No. of subscriptions (in thousands)			2 284	-	-
¹⁾ Includes amortization of Telenor's net excess values	5	-	5	-	-

31 August 2006 Telenor acquired 100% of the shares in Mobi 63, now renamed Telenor, for NOK 11.98 billion. Telenor – Serbia is consolidated from 1 September 2006. Telenor – Serbia is part of 'Other mobile operations' in the table on page 17. For further information, please refer to the section Business Combinations on page 20. The preceding table shows figures from the time of consolidation.

- The high EBITDA margin was a result of limited activities in September.

Promonte – Montenegro

(NOK in millions)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	2005
Total revenues	211	180	464	407	519
EBITDA	122	98	242	213	260
Operating profit¹⁾	84	58	127	88	95
Capex	24	8	35	17	38
No. of subscriptions (in thousands)			479	394	310
¹⁾ Includes amortization of Telenor's net excess values	20	20	60	60	80

Compared to the third quarter of 2005, the Norwegian Krone depreciated against the Euro, which is the functional currency of Promonte, by approximately 2% in the third quarter of 2006. Promonte is part of 'Other mobile operations' in the table on page 17.

- In the third quarter of 2006 the number of subscriptions increased by 116,000, leading to an estimated market share of 61%, an increase of 1 percentage point compared to the previous quarter. The growth in subscriptions was mainly related to the tourist season.
- Promonte delivered a strong quarter with high revenue growth and improved EBITDA margin.

Asian Operations

DTAC – Thailand

(NOK in millions)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	2005
Subscription and traffic	1 887	-	5 499	-	1 074
Interconnection revenues	41	-	107	-	25
Mobile revenues					
company's subscriptions	1 928	-	5 606	-	1 099
Other mobile revenues	93	-	309	-	74
Total mobile revenues	2 021	-	5 915	-	1 173
Non-mobile revenues	20	-	51	-	18
Total revenues¹⁾	2 041	-	5 966	-	1 191
¹⁾ Of which internal revenues	6	-	25	-	6
EBITDA	732	-	2 149	-	445
Depreciation and amortization ²⁾	356	-	1 028	-	220
Operating profit	376	-	1 121	-	225
²⁾ Of which amortization of Telenor's net excess values	51	-	152	-	35
EBITDA/Total revenues (%)	35.9	-	36.0	-	37.4
Operating profit/Total revenues (%)	18.4	-	18.8	-	18.9
Capex	565	-	1 713	-	146
Investments in businesses	-	-	116	-	2 664
ARPU – monthly (NOK)	58	-	61	-	66
No. of subscriptions (100% in thousands)			11 241	-	8 677

ARPU has been adjusted for the periods from the fourth quarter of 2005 to the second quarter of 2006.

At the end of the third quarter of 2006, Telenor's economic stake in DTAC was 73.1%. Compared to the second quarter of 2006, the Norwegian Krone depreciated against the Thai Baht by approximately

1% in the third quarter of 2006. The preceding table shows figures for DTAC from the time of consolidation, 26 October 2005.

The following comments are made against the second quarter of 2006.

- DTAC continued to grow its subscriptions in the third quarter of 2006 by 619,000 and is estimated to have maintained its market share at around 31%, in spite of the fierce competition.
- ARPU in local currency declined by 3%, however total revenues in local currency increased by 5% which was primarily driven by the increase in total number of subscriptions.
- Capital expenditure remained in line with the first and second quarter following continuous investments in network capacity and network expansion to accommodate the increasing subscription base.
- The National Telecommunications Commission (NTC) in Thailand has approved DTAC's Reference Interconnect Offer and, on 4 October 2006, DTAC requested bilateral negotiations with the other fixed and mobile operators in Thailand. According to NTC regulations, the bilateral interconnect negotiations must be completed within 90 days from when the requested party receives notification. If the operators cannot reach an agreement within the 90 days, the NTC will force an interim rate.
- DTAC has a concession agreement whereby the Communication Authorities of Thailand (CAT Telecom) has granted DTAC the right to build, transfer and operate a mobile network in Thailand. The revenue share, which DTAC is required to pay on a material part of its services, to CAT Telecom, increased as scheduled from 20% to 25% from 16 September 2006.

DiGi – Malaysia

(NOK in millions)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	2005
Subscription and traffic	1 355	1 035	3 965	2 751	3 949
Interconnection revenues	138	155	431	435	594
Mobile revenues					
company's subscriptions	1 493	1 190	4 396	3 186	4 543
Other mobile revenues	33	18	74	47	65
Total mobile revenues	1 526	1 208	4 470	3 233	4 608
Non-mobile revenues	58	77	204	247	324
Total revenues¹⁾	1 584	1 285	4 674	3 480	4 932
¹⁾ Of which internal revenues	2	1	5	2	4

EBITDA	721	560	2 121	1 510	2 142
Depreciation and amortization ²⁾	296	255	775	765	1 038
Write-downs	1	1	8	2	5
Operating profit	424	304	1 338	743	1 099

²⁾ Of which amortization of Telenor's net excess values	3	13	11	47	51
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EBITDA/Total revenues (%)	45.5	43.6	45.4	43.4	43.4
Operating profit/					
Total revenues (%)	26.8	23.7	28.6	21.4	22.3
Capex	371	310	796	596	1 170
ARPU – monthly (NOK)	90	100	93	97	98
No. of subscriptions (100% in thousands)			5 590	4 187	4 795

At the end of the third quarter of 2006, Telenor's ownership interest in DiGi was 61.0%. Compared to the third quarter of 2005, the Norwegian Krone appreciated against the Malaysian Ringgit by approximately 1% in the third quarter of 2006.

- The number of subscriptions increased by 150,000 in the third quarter of 2006 and by 1.4 million compared to the third quarter of 2005.
- DiGi's market share was estimated around 25%.
- ARPU measured in local currency decreased by 9% primarily due to lower outgoing traffic combined with a reduction in interconnect access pricing.
- Total revenues measured in local currency increased by 23% driven by a 34% increase in the subscription base.
- The EBITDA margin improved by 2 percentage points mainly due to improved gross margin as a result of higher on-net traffic and

lower costs related to sales and marketing activities. Measured in local currency EBITDA increased by 28%.

- Depreciation and amortization increased primarily due to accelerated depreciation resulting from the re-assessment of assets useful lives with effect from 1 July 2006.
- Increased capital expenditure was related to investments in the network due to increased traffic, a higher subscription base and improved coverage.
- The regulatory body of Malaysia has introduced mandatory prepaid registration to be implemented by 15 December 2006. Operators are required to disconnect non-registered users from their networks by year end. As most of these represent multiple SIM-cards, the action will have limited effect on revenue, but will imply a correction of penetration level, subscription base, ARPU and AMPU.

GrameenPhone – Bangladesh

(NOK in millions)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	2005
Subscription and traffic	1 032	715	2 814	1 972	2 741
Interconnection revenues	94	52	245	125	188
Mobile revenues					
company's subscriptions	1 126	767	3 059	2 097	2 929
Other mobile revenues	3	6	14	16	22
Total mobile revenues	1 129	773	3 073	2 113	2 951
Non-mobile revenues	4	2	12	7	19
Total revenues¹⁾	1 133	775	3 085	2 120	2 970
¹⁾ Of which internal revenues	-	-	1	-	1

EBITDA	645	441	1 792	1 104	1 559
Depreciation and amortization	169	107	476	273	439
Operating profit	476	334	1 316	831	1 120

EBITDA/Total revenues (%)	56.9	56.9	58.1	52.1	52.5
Operating profit/					
Total revenues (%)	42.0	43.1	42.7	39.2	37.7
Capex	435	590	1 340	1 443	2 596
ARPU – monthly (NOK)	41	65	45	72	68
No. of subscriptions (100% in thousands)			9 404	4 215	5 542

At the end of the third quarter of 2006, Telenor's ownership interest in GrameenPhone was 62.0%. Compared to the third quarter of 2005, the Norwegian Krone appreciated against the Bangladeshi Taka by approximately 8% in the third quarter of 2006.

- The number of subscriptions increased by almost 1 million in the third quarter of 2006 and by 5.2 million from the third quarter of 2005.
- GrameenPhone's estimated market share remained stable at 63% compared to the previous quarter.
- ARPU in local currency decreased by 31% primarily due to decrease in average prices and dilution due to subscription growth.
- Measured in local currency, total revenues increased by 57% mainly due to the higher number of subscriptions. This was partially offset by reduction in ARPU.
- The EBITDA margin remained stable, while EBITDA in local currency increased by 57%.
- Depreciation and amortization increased as a result of increased capital expenditure in the intervening quarters.
- The decrease in capital expenditure was primarily a result of lower prices from suppliers.

Telenor – Pakistan

(NOK in millions)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	2005
Total revenues	333	76	813	125	265
EBITDA	(87)	(134)	(281)	(439)	(572)
Operating loss	(199)	(201)	(594)	(580)	(798)
Capex	701	299	1 806	1 347	1 843
No. of subscriptions (in thousands)			4 597	1 200	1 868

Compared to the third quarter of 2005, the Norwegian Krone appreciated against the Pakistani Rupee by approximately 5% in the third quarter of 2006. Telenor – Pakistan is part of 'Other mobile operations' in the table on page 17.

- Telenor – Pakistan experienced a significant growth in the number of subscriptions with net additions of 1.4 million during this quarter alone.
- Telenor – Pakistan's estimated market share increased further by 1 percentage point to 11% from the previous quarter.
- ARPU in local currency decreased by 9% compared to the second quarter of 2006 primarily due to a reduction of interconnect charges from 1 July 2006.
- Compared to the second quarter of 2006, total revenues in local currency increased by 25% mainly due to subscription growth partially offset by reduction in ARPU.
- Compared to the second quarter of 2006 there was a positive development in EBITDA, mainly due to higher revenues.
- The increase in capital expenditure was related to the roll-out of the mobile network.
- 1 July 2006, following a decision made by the regulator, the inter-connection charges of mobile operators were reduced from PKR 1.6 to PKR 1.25 per minute. At the same time the charging principle was changed from per minute to per second charging.

Fixed

(NOK in millions)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	2005
Revenues					
Norway	3 796	4 151	11 957	12 681	16 867
Other operations	1 056	840	3 022	1 694	2 581
Eliminations	(11)	(27)	(72)	(87)	(135)
Total revenues¹⁾	4 841	4 964	14 907	14 288	19 313
¹⁾ Of which internal revenues	470	588	1 459	1 571	2 173
EBITDA	1 671	1 430	4 797	4 342	5 885
Depreciation and amortization ²⁾	769	874	2 263	2 386	3 236
Write-downs ³⁾	9	(2)	24	(22)	587
Operating profit	893	558	2 510	1 978	2 062
²⁾ Of which amortization of Telenor's net excess values	44	69	118	72	66
³⁾ Of which write-downs of Telenor's net excess values	-	(3)	-	(34)	(24)
EBITDA/Total revenues (%)	34.5	28.8	32.2	30.4	30.5
Operating profit/Total revenues (%)	18.4	11.2	16.8	13.8	10.7
Capex	561	602	1 821	1 539	2 776
Investments in businesses	2	5 792	538	5 836	5 816

Fixed – Norway

(NOK in millions)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	2005
Revenues					
Telephony	1 501	1 743	4 831	5 481	7 232
xDSL/Internet	579	534	1 728	1 503	2 039
Data services	204	250	618	725	963
Other revenues	285	357	957	1 099	1 465
Total retail revenues	2 569	2 884	8 134	8 808	11 699
Wholesale revenues	1 227	1 267	3 823	3 873	5 168
Total revenues¹⁾	3 796	4 151	11 957	12 681	16 867
¹⁾ Of which internal revenues	517	582	1 572	1 567	2 190

EBITDA	1 460	1 354	4 267	4 324	5 701
Depreciation and amortization	540	652	1 703	2 015	2 707
Write-downs ²⁾	-	(2)	13	(24)	(25)
Operating profit	920	704	2 551	2 333	3 019
²⁾ Of which write-downs of Telenor's net excess values	-	(3)	-	(34)	(36)

EBITDA/Total revenues (%)	38.5	32.6	35.7	34.1	33.8
Operating profit/Total revenues (%)	24.2	17.0	21.3	18.4	17.9
Capex	354	412	1 204	1 252	2 169
Investments in businesses	-	-	1	44	44
No. of subscriptions (in thousands):					
Telephony			1 513	1 664	1 622
– of which PSTN			991	1 118	1 089
– of which ISDN			434	538	509
– of which VoIP			88	8	24
xDSL subscriptions			542	444	475

- The trend from previous quarters continued with an increase in the number of xDSL and VoIP subscriptions and a decrease in the number of PSTN/ISDN subscriptions.
- Telenor's estimated market share for xDSL in the retail market was slightly reduced to 57% compared to the previous quarter. Measured in traffic minutes, Telenor's estimated market share was 65%, in line with the second quarter of 2006.
- Total revenues decreased by 8.6%. Adjusted for the sale of contractor business in the second quarter of 2006, total revenues decreased by 6.5%, partially as a result of price reductions and slower growth of xDSL subscriptions. Adjusted total revenues in the first nine months of 2006 decreased by 4.4% compared to the first nine months of 2005.
- Revenues from telephony decreased due to a reduction in the number of subscriptions, lower traffic volumes and price reductions implemented from 1 September. The number of subscriptions decreased primarily due to migration to VoIP telephony with other fixed network operators. Lower traffic volumes were due to the decrease in the number of telephony subscriptions and the number of minutes per subscription. The latter was mainly due to migration of traffic from fixed to mobile telephony.
- Revenues from xDSL/Internet increased due to growth in the number of xDSL subscriptions. This was partially offset by lower revenues per subscription and a reduction in revenues from dial-up Internet traffic and Internet subscriptions.
- The decrease in revenues from Data services was due to lower revenues per subscription partially offset by an increase in the number of subscriptions.
- The decrease in Other revenues was mainly related to lower intra-group sales and lower revenues from large installation contracts.
- Wholesale revenues, adjusted for the outsourcing of contractor activities from 1 April 2006, increased mainly as a result of increased number of subscriptions partially offset by price reductions.
- The increase in EBITDA margin was mainly due to reduced operating expenses as a result of reduction in the number of man-years and lower operation and maintenance costs. In addition, in the third quarter of 2006, there was a positive one-time effect related to change of pension plan of NOK 98 million. Further, the third quarter of 2006 included costs of NOK 18 million for workforce reduction compared to NOK 115 million in the third quarter of 2005.

- The decrease in depreciation and amortization was primarily due to lower capital expenditure in recent years. This was partially offset by increased amortization for expenses associated with transactions that provide the rights to use assets, such as local loop unbundling.
- Capital expenditure decreased primarily due to reduced investments in broadband coverage and IS/IT.
- 6 October 2006, the Ministry of Transport and Communications in Norway published the final decision in the appeal process regarding the price for unbundled access to the local loop. According to the decision, the price for full access will remain at current level of NOK 105 per month also after 1 January 2007.

Fixed – Other operations

(NOK in millions)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	
Revenues					
Fixed Sweden	857	654	2 450	1 420	2 096
Fixed Denmark	199	142	554	142	306
Other countries/eliminations	-	44	18	132	179
Total revenues¹⁾	1 056	840	3 022	1 694	2 581
¹⁾ Of which internal revenues	(34)	33	(40)	91	118
EBITDA					
Fixed Sweden	128	31	337	(25)	158
Fixed Denmark	61	48	175	48	97
Other countries/eliminations	(1)	(5)	9	(4)	(70)
Total EBITDA	188	74	521	19	185
Depreciation and amortization ²⁾	229	222	560	370	528
Write-downs ³⁾	9	-	11	3	617
Operating loss	(50)	(148)	(50)	(354)	(960)
Of which:					
Fixed Sweden	(53)	(134)	(74)	(317)	(866)
Fixed Denmark	5	2	19	2	29
Other countries/eliminations	(2)	(16)	5	(39)	(123)
²⁾ Of which amortization of Telenor's net excess values	44	69	118	72	66
³⁾ Of which write-downs of Telenor's net excess values	-	-	-	-	12
Capex					
Fixed Sweden	155	142	468	230	485
Fixed Denmark	52	40	149	40	97
Other countries	-	8	-	17	25

Fixed Sweden consists of Telenor AB, Bredbandsbolaget and Glocalnet. Bredbandsbolaget and Glocalnet are consolidated with effect from 8 July 2005 and 1 March 2006, respectively. As of 30 September 2006 Telenor's ownership interest in Glocalnet was 98.8%. Fixed Denmark consists of Cybercity, which is consolidated with effect from 5 July 2005. Compared to the third quarter of 2005, the Norwegian Krone appreciated against the Swedish Krone by approximately 3% and against the Danish Krone by approximately 3% in the third quarter of 2006. Operations in Other countries were sold with effect from 30 January 2006.

Fixed Sweden

- Revenues adjusted for the acquisition of Glocalnet were in line with the third quarter of 2005.
- EBITDA adjusted for Glocalnet increased due to higher gross margin for voice traffic and xDSL partially offset by increased operating expenses. EBITDA was positively affected by the change in accounting treatment for transactions that provide the rights to use assets, which was implemented in the fourth quarter of 2005. EBITDA in the third quarter of 2005 also included NOK 20 million related to workforce reduction.
- Total depreciation and amortization increased due to higher capital expenditure and increased amortization of prepaid lease.
- The number of xDSL and LAN subscriptions in Bredbandsbolaget increased by 29,000 to 429,000 in the third quarter of 2006, and the number of VoIP subscriptions increased by 13,000 to 147,000.

- The number of xDSL subscriptions in Glocalnet increased by 2,000 to 119,000 in the third quarter of 2006, and the number of telephony subscriptions decreased by 11,000 to 273,000.

Fixed Denmark

- Revenues increased due to growth in the number of xDSL and VoIP subscriptions, partially offset by lower ARPU on xDSL subscriptions.
- EBITDA increased mainly due to higher revenues.
- In the third quarter of 2006, the number of xDSL subscriptions increased by 12,000 to 164,000, and the number of VoIP subscriptions increased by 11,000 to 52,000.

Broadcast

(NOK in millions)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	
Revenues					
Distribution	1 291	1 139	3 841	3 425	4 615
Transmission	319	299	948	894	1 207
Other/Eliminations	(37)	(46)	(135)	(136)	(173)
Total revenues¹⁾	1 573	1 392	4 654	4 183	5 649
¹⁾ Of which internal revenues	39	33	112	96	131
EBITDA					
Distribution	268	216	753	671	818
Transmission	199	181	565	530	713
Other/Eliminations	18	(3)	12	(16)	(15)
Total EBITDA	485	394	1 330	1 185	1 516
Depreciation and amortization ²⁾	147	133	454	410	554
Write-downs ³⁾	-	-	3	4	(53)
Operating profit	338	261	873	771	1 015
Of which:					
Distribution	214	159	575	481	494
Transmission	117	111	316	324	564
Other/Eliminations	7	(9)	(18)	(34)	(43)
²⁾ Of which amortization of Telenor's net excess values	4	14	25	42	56
³⁾ Of which write-downs of Telenor's net excess values	-	-	-	-	75
EBITDA/Total revenues (%)	30.8	28.3	28.6	28.3	26.8
Operating profit/Total revenues (%)	21.5	18.8	18.8	18.4	18.0
Capex	157	116	355	259	392
Investments in businesses	50	17	148	17	42
No. of subscribers (in thousands):					
DTH pay TV			929	876	906
Cable TV			691	636	681
Households in satellite master antenna TV networks			1 154	1 184	1 177
Cable TV Internet access			84	53	73

- The number of DTH pay TV subscribers increased by 8,000 in the third quarter of 2006, the number of Cable TV subscribers increased by 4,000, and the number of Cable TV internet access subscribers increased by 3,000.
- Total revenues increased primarily due to higher number of subscribers in Distribution, higher revenues from satellite in Transmission, and higher revenues from the sale of cards and other services related to Pay TV access control.
- The increase in EBITDA was primarily due to higher revenues and lower costs related to DTH sales, partially offset by increased content cost in Distribution. In the third quarter of 2006 EBITDA was positively affected by NOK 18 million due to a one-time effect related to change of pension plan.
- Capital expenditure increased due to start-up of the construction of the Norwegian digital terrestrial TV (DTT) network through Norges televisjon AS (NTV) and NTV Pluss AS.

Other Units

(NOK in millions)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	2005
Revenues					
EDB Business Partner	1 350	1 217	4 134	3 733	4 991
Satellite Services	632	610	1 835	1 791	2 428
Venture	140	123	419	364	490
Corporate functions and Group activities	507	517	1 597	1 702	2 266
Other	19	(1)	20	26	25
Eliminations	(43)	(46)	(133)	(187)	(233)
Total revenues¹⁾	2 605	2 420	7 872	7 429	9 967
¹⁾ Of which internal revenues	613	647	1 908	2 238	2 907
EBITDA					
EDB Business Partner	39	224	371	588	785
Satellite Services	116	115	281	273	393
Venture	10	7	(11)	12	(2)
Corporate functions and Group activities	(63)	67	(298)	27	(77)
Other/eliminations	(19)	10	(40)	(3)	(8)
Total EBITDA	83	423	303	897	1 091
Depreciation and amortization ²⁾	280	258	800	770	1 033
Write-downs ³⁾	-	-	-	-	10
Operating profit (loss)	(197)	165	(497)	127	48
Of which					
EDB Business Partner	(67)	120	69	281	377
Satellite Services	51	48	90	78	125
Venture	3	3	(35)	(1)	(23)
Corporate functions and Group activities	(161)	(16)	(572)	(228)	(420)
Other/eliminations	(23)	10	(49)	(3)	(11)
²⁾ Of which amortization of Telenor's net excess values	4	3	10	7	8
³⁾ Of which write-downs of Telenor's net excess values	-	-	-	-	5
Capex	291	193	650	511	832
Investments in businesses	301	15	1 575	285	332

EDB Business Partner

- Revenues increased mainly due to acquisition of operations in the fourth quarter of 2005 and the first half year of 2006.
- EBITDA decreased mainly due to lower sales of maintenance contracts and costs of NOK 144 million for workforce reduction. This was partially offset by positive effects from acquired operations.

Satellite Services

- Revenues increased primarily due to growth within the VSAT business, partially offset by decreased revenues in the Inmarsat segment as a result of lower volume and prices.

Venture

- Revenues increased mainly due to acquisition of new business within Opplýsingin in 2005.

Corporate Functions and Group Activities

- The increased EBITDA loss is largely due to gain on sales of properties in 2005 and higher costs related to our international mobile activities. In the third quarter of 2006 EBITDA was positively affected by NOK 16 million due to a one-time effect related to change of pension plan.

Other Profit and Loss Items for the Group

Depreciation, amortization and write-downs

(NOK in millions)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	2005
Depreciation ¹⁾	2 216	2 120	6 670	6 075	8 083
Amortization ²⁾	1 533	782	4 168	2 282	3 461
Total depreciation and amortization	3 749	2 902	10 838	8 357	11 544
Write-downs ¹⁾	27	7	104	35	488
Write-downs of goodwill	-	(3)	-	(34)	46
Write-downs ²⁾	2	-	16	-	53
Total write-downs	29	4	120	1	587
Total depreciation, amortization and write-downs	3 778	2 906	10 958	8 358	12 131

¹⁾ Tangible assets (property, plant and equipment)

²⁾ Other intangible assets and prepaid lease payments.

See page 19 for more specifications.

- The increase in total depreciation and amortization was primarily due to acquired businesses and increased capital expenditure, partially offset by fully depreciated assets.
- In general, depreciation and amortization is also affected by changes in exchange rates and investment levels in the previous quarters.

Associated companies

(NOK in millions)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	2005
Telenor's share of¹⁾					
Profit after taxes	565	454	1 251	1 214	1 452
Amortization of Telenor's net excess values	(3)	(12)	(10)	(42)	(46)
Write-downs of Telenor's net excess values	-	-	(11)	-	(172)
Gains (losses) on disposal of ownership interests	-	(7)	6	(4)	(1)
Net result from associated companies	562	435	1 236	1 168	1 233

¹⁾ For certain associated companies, financial statements as of the Group's balance sheet date are not available. In such instances, the most recent financial statements (as of a date not more than three months prior to the Group's balance sheet date) are used, and estimates for the last period are made based on publicly available information. Actual figures may deviate from the preliminary figures. The consolidated profit and loss statement contains only the line 'Net result from associated companies'. The preceding table includes Telenor's share of profit after taxes from DTAC and UCOM until 26 October 2005. Thereafter DTAC is consolidated, while UCOM is treated as a discontinued operation. Glocalnet is included until 28 February 2006. Thereafter Glocalnet is consolidated as a subsidiary.

- At the end of the third quarter of 2006, Telenor's ownership interest in VimpelCom in Russia was 29.9%. The value of Telenor's share of the company, based on the quoted share price as of 30 September 2006, was NOK 24 billion. According to telecom analysts, VimpelCom had approximately 52 million mobile subscriptions at the end of the third quarter of 2006.

Financial items

(NOK in millions)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	2005
Financial income	153	84	384	299	447
Financial expenses	(672)	(356)	(1 867)	(1 073)	(1 639)
Net foreign currency gains (losses)	(187)	50	(316)	202	84
Change in fair value of financial instruments	894	97	669	86	243
Net gains (losses) and write-downs	5	3	1 805	487	518
Net financial items	193	(122)	675	1	(347)
Gross interest expenses	(669)	(367)	(1 854)	(1 104)	(1 594)
Net interest expenses	(549)	(308)	(1 568)	(913)	(1 309)

- Increased financial expenses were due to increased long-term interest-bearing liabilities following acquisitions of businesses.
- Net foreign currency losses were primarily related to liabilities in other currencies than the functional currencies.
- Change in fair value of financial instruments was related to marketable instruments and derivatives used for economic hedge of interest-bearing liabilities that do not fulfil the requirements for hedge accounting.

Taxes

- The nominal Norwegian corporate income tax rate is 28%. The effective tax rate for the Telenor Group for the fiscal year 2006 is estimated at approximately 14% of profit before taxes. The gain on sale of shares in Inmarsat in the first quarter of 2006 of NOK 1.8 billion is not taxable. Tax income of NOK 2.4 billion related to the Sonofon case will be recognised in the fourth quarter of 2006 and is included in the estimation for the effective tax rate for the full year. Adjusted for these effects, the effective tax rate for 2006 is estimated at approximately 30%. The effective tax rate for the third quarter is estimated at approximately 27%. The effective tax rate is also affected by taxes related to companies outside Norway and non-deductible expenses.
- The actual effective tax rate for 2006 may deviate from the estimated rate.

Balance sheet

- Total assets as of 30 September 2006 increased by NOK 29.3 billion compared to 30 June 2006, primarily due to the acquisition of Mobi 63 on 31 August 2006. For more information regarding the preliminary allocation of net assets and goodwill related to this acquisition, see further explanation under Business Combinations on page 20.
- Net interest-bearing liabilities increased by NOK 9.1 billion in the quarter to NOK 47.3 billion as of 30 September 2006, mainly due to the NOK 11.98 billion acquisition of Mobi 63.
- As a consequence of the acquisition of Mobi 63 Telenor was downgraded from A- to BBB+ by Standard & Poor's.
- In accordance with the resolution from the Annual General Meeting of 23 May 2006, the share capital was reduced by NOK 158 million to NOK 10.082 million in the third quarter. This was done by cancelling 12.1 million of Telenor's own shares and by redeeming 14.2 million shares owned by the Kingdom of Norway. The total number of outstanding shares was 1,680,274,570. As of 30 September 2006, Telenor did not own any treasury shares.
- Translation differences increased equity in the third quarter of 2006 by NOK 2.7 billion, due to the depreciation of the Norwegian Krone compared to most of the functional currencies of Telenor's foreign subsidiaries and associated companies as of 30 September 2006, compared to 30 June 2006. No other significant transactions have been taken directly to equity during the third quarter of 2006.

Change in pension plan

- In 2005 Telenor decided to close the defined benefit plan for new members of Telenor Pension Fund in Norway from 1 January 2006, and to offer existing members to switch to a defined contribution plan from 3 July 2006. More than 2000 employees chose to switch to a defined contribution plan. The voluntarily change of pension plan resulted in a one-time cost reduction for Telenor of NOK 193 million in the third quarter of 2006, which were allocated to the different segments affected. The cost reduction is mainly related to the difference between pension obligations recognised for these employees for accounting purposes and the paid up policy received by the employees accepting the plan.

Outlook for 2006

- Based upon the strong results and positive development in the third quarter of 2006, the outlook for the full year has been adjusted compared to the report for the second quarter of 2006.
- The strong growth in mobile subscriptions gives Telenor a solid foundation for further growth in revenues. We expect a growth in reported revenues of around 35%.
- We expect a continued high growth in EBITDA, in particular driven by the international mobile operations. Telenor will continue previously introduced initiatives and identify new means of improving cost efficiency. We expect the EBITDA margin before other income and expenses for 2006 to be around 36%.
- We expect high capital expenditure to continue, and capital expenditure as a proportion of revenues is expected to be around 20%. Capital expenditure is expected to continue to be driven by high subscription growth within Telenor's mobile operations in emerging markets.
- A growing share of Telenor's revenues and profits is derived from operations outside Norway. Currency fluctuations may to an increasing extent influence the reported figures in Norwegian Krone. Political risk, including regulatory conditions, may also influence the profits.

Telenor (the Group) consists of Telenor ASA (the Company) and its subsidiaries. Telenor ASA is a limited company incorporated in Norway. The condensed consolidated interim financial statements consist of the Group and the Group's interest in associated companies and joint ventures.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS34 Interim Financial Reporting. They do not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with consolidated financial statements of the Group as at and for the year ended 31 December 2005. These condensed consolidated interim financial statements are unaudited.

This report contains statements regarding the future in connection with Telenor's growth initiatives, profit figures, outlook, strategies and objectives. In particular, the section 'Outlook for 2006' contains forward-looking statements regarding the group's expectations. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements. These factors include the risk factors relating to Telenor's activities described in Telenor's 2005 Annual Report on Form 20-F filed with the Securities and Exchange Commission in the USA under the headings 'Cautionary Statement Regarding Forward-Looking Statements' and 'Risk Factors' (available at www.telenor.com/ir/).

Oslo, 25 October 2006

The Board of Directors of Telenor ASA

Profit and Loss Statement

Telenor Group

(NOK in millions except earnings per share)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	2005
Revenues	23 868	17 641	68 320	49 453	68 927
Costs of materials and traffic charges	6 008	4 561	17 455	12 912	17 711
Own work capitalized	(121)	(141)	(419)	(449)	(704)
Salaries and personnel costs	2 639	2 412	8 758	7 510	10 236
Other operating expenses	6 045	4 211	17 352	12 233	17 606
Other (income) and expenses	224	220	315	133	242
EBITDA	9 073	6 378	24 859	17 114	23 836
Depreciation and amortization	3 749	2 902	10 838	8 357	11 544
Write-downs	29	4	120	1	587
Operating profit	5 295	3 472	13 901	8 756	11 705
Associated companies	562	435	1 236	1 168	1 233
Net financial items	193	(122)	675	1	(347)
Profit before taxes	6 050	3 785	15 812	9 925	12 591
Taxes	(1 633)	(1 136)	(4 269)	(2 978)	(3 453)
Profit from continuing operations	4 417	2 649	11 543	6 947	9 138
Profit (loss) from discontinued operations	-	-	(22)	-	(4)
Profit from total operations	4 417	2 649	11 521	6 947	9 134
Attributable to:					
Non-controlling interests (Minority interests)	636	449	1 806	996	1 488
Equity holders of Telenor ASA (Net income)	3 781	2 200	9 715	5 951	7 646
Earnings per share in NOK					
From continuing operations:					
Basic	2.25	1.30	5.77	3.47	4.47
Diluted	2.25	1.29	5.77	3.46	4.47
From total operations:					
Basic	2.25	1.30	5.76	3.47	4.47
Diluted	2.25	1.29	5.75	3.46	4.47
US GAAP					
Net income	3 744	2 225	9 717	5 754	7 427
Net income per share in NOK (basic)	2.23	1.31	5.76	3.35	4.34
Net income per share in NOK (diluted)	2.23	1.31	5.75	3.35	4.34

Balance Sheet

Telenor Group

(NOK in millions)	30 September 2006	30 June 2006	30 September 2005	31 December 2005
Deferred tax assets	1 481	1 908	1 317	3 052
Goodwill	31 415	22 969	18 273	20 700
Intangible assets	27 613	22 735	11 389	21 245
Tangible assets	52 994	48 767	40 688	43 958
Associated companies	8 303	7 616	8 320	7 424
Other financial assets	3 119	2 337	3 161	2 129
Total non-current assets	124 925	106 332	83 148	98 508
Accounts receivable	9 160	8 191	7 146	6 921
Other current assets	10 837	10 391	8 205	10 970
Assets held for sale	-	-	-	667
Liquid assets	17 255	7 983	6 444	7 191
Total current assets	37 252	26 565	21 795	25 749
Total assets	162 177	132 897	104 943	124 257
Shareholders equity	50 940	44 359	42 714	46 399
Minority interests	8 082	7 457	5 198	7 134
Total equity and minority interests	59 022	51 816	47 912	53 533
Pension obligations	2 461	2 543	2 403	2 440
Deferred tax liabilities	4 036	3 336	2 290	2 669
Other provisions	1 074	873	787	790
Provisions	7 571	6 752	5 480	5 899
Non-current interest-bearing liabilities	52 201	26 654	22 406	27 139
Non-current non-interest-bearing liabilities	568	583	542	580
Total non-current liabilities	52 769	27 237	22 948	27 719
Current interest-bearing liabilities	13 418	20 069	6 592	11 908
Accounts payable	7 404	6 572	5 402	6 215
Current non-interest-bearing liabilities	21 993	20 451	16 609	18 696
Current non-interest-bearing liabilities (held for sale)	-	-	-	287
Total current liabilities	42 815	47 092	28 603	37 106
Total equity and liabilities	162 177	132 897	104 943	124 257
Equity ratio including minority interests (%)	36.4	39.0	45.7	43.1
USGAAP				
Shareholders equity	52 093	45 669	44 900	47 457

Consolidated Statement of Changes in Equity
Telenor Group

(NOK in millions)	Attributable to equity holders of Telenor ASA						Total equity
	Total paid capital	Other reserves	Retained earnings	Cumulative translation differences	Total	Minority interest	
Balance as of 1 January 2005	27 350	625	13 205	(605)	40 575	3 954	44 529
Translation differences	-	-	-	525	525	441	966
Business combinations and increased ownership interests in subsidiaries	-	1 829	-	-	1 829	-	1 829
Available-for-sale investments	-	1 052	-	-	1 052	(4)	1 048
Cash flow hedges	-	24	-	-	24	3	27
Equity adjustments in associated companies	-	1	-	-	1	-	1
Tax on items taken directly to or transferred from equity	-	(459)	-	(12)	(471)	(1)	(472)
Net income (loss) recognized directly in equity	-	2 447	-	513	2 960	439	3 399
Profit for the year 2005	-	-	7 646	-	7 646	1 488	9 134
Total recognized income and expense for the period	-	2 447	7 646	513	10 606	1 927	12 533
Dividends	-	-	(2 595)	-	(2 595)	(171)	(2 766)
Share buy back	(2 267)	-	-	-	(2 267)	-	(2 267)
Sale of shares, share issue, and share options to employees	74	6	-	-	80	5	85
Transactions with minorities in subsidiaries	-	-	-	-	-	1 419	1 419
Balance as of 31 December 2005	25 157	3 078	18 256	(92)	46 399	7 134	53 533
Translation differences	-	-	-	589	589	(66)	523
Business combinations and increased ownership interests in subsidiaries	-	52	-	-	52	-	52
Available-for-sale investments:							
- Valuation gains (losses) taken to equity	-	56	-	-	56	2	58
- Transferred to profit or loss on sale	-	(1 733)	-	-	(1 733)	(8)	(1 741)
Cash flow hedges:							
- Valuation gains (losses) taken to equity	-	(41)	-	-	(41)	(1)	(42)
- Transferred to profit or loss for the period	-	-	-	-	-	-	-
Tax on items taken directly to or transferred from equity	-	11	-	77	88	-	88
Net income (loss) recognized directly in equity	-	(1 655)	-	666	(989)	(73)	(1 062)
Profit for the period	-	-	9 715	-	9 715	1 806	11 521
Total recognized income and expenses for the period	-	(1 655)	9 715	666	8 726	1 733	10 459
Dividends	-	-	(3 389)	-	(3 389)	(287)	(3 676)
Share buy back	(812)	-	-	-	(812)	(28)	(840)
Sale of shares, share issue, and share options to employees	42	16	-	-	58	10	68
Equity adjustments in associated companies	-	(42)	-	-	(42)	-	(42)
Transactions with minorities in subsidiaries	-	-	-	-	-	(480)	(480)
Balance as of 30 September 2006	24 387	1 397	24 582	574	50 940	8 082	59 022

(NOK in millions)	Attributable to equity holders of Telenor ASA						Total equity
	Total paid capital	Other reserves	Retained earnings	Cumulative translation differences	Total	Minority interest	
Balance as of 1 January 2005	27 350	625	13 205	(605)	40 575	3 954	44 529
Translation differences	-	-	-	108	108	292	400
Business combinations and increased ownership interests in subsidiaries	-	-	-	-	-	-	-
Available-for-sale investments	-	948	-	-	948	7	955
Cash flow hedges	-	(7)	-	-	(7)	-	(7)
Equity adjustments in associated companies	-	-	-	-	-	-	-
Tax on items taken directly to or transferred from equity	-	95	-	(129)	(34)	-	(34)
Net income recognized directly in equity	-	1 036	-	(21)	1 015	299	1 314
Profit for the period	-	-	5 951	-	5 951	996	6 947
Total recognized income and expenses for the period	-	1 036	5 951	(21)	6 966	1 295	8 261
Dividends	-	-	(2 595)	-	(2 595)	(170)	(2 765)
Share buy back	(2 267)	-	-	-	(2 267)	-	(2 267)
Sale of shares, share issue, and share options to employees	30	5	-	-	35	4	39
Transactions with minorities in subsidiaries	-	-	-	-	-	115	115
Balance as of 30 September 2005	25 113	1 666	16 561	(626)	42 714	5 198	47 912

Cash Flow Statement

Telenor Group

(NOK in millions)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	2005
Profit before taxes and minority interests	6 050	3 785	15 812	9 925	12 591
Taxes paid	(546)	(294)	(1 708)	(728)	(1 369)
Net (gains) losses, including write-downs and change in fair value of financial items	(881)	(154)	(2 486)	(738)	(929)
Depreciation, amortization and write-downs	3 778	2 906	10 958	8 358	12 131
Associated companies	(562)	(435)	(1 236)	(1 168)	(1 233)
Difference between expensed and paid pensions	(117)	161	(65)	203	211
Currency (gains) losses not related to operating activities	183	(41)	278	(203)	(18)
Change in other accruals	572	528	11	532	956
Net cash flows from operating activities	8 477	6 456	21 564	16 181	22 340
Purchases of property, plant and equipment and intangible assets	(4 911)	(3 540)	(13 473)	(9 078)	(14 213)
Purchases of subsidiaries and associated companies, net of cash received	(12 336)	(5 544)	(21 761)	(5 653)	(8 128)
Sales of property, plant and equipment, intangible assets and businesses, net of cash transferred	117	420	589	1 161	1 279
Sales and purchases of other investments	424	(78)	2 131	1 000	1 064
Net cash flows from investing activities	(16 706)	(8 742)	(32 514)	(12 570)	(19 998)
Proceeds from and repayments of interest-bearing liabilities	18 360	(525)	25 759	2 210	4 175
Proceeds from issuance of shares, including from minorities in subsidiaries	5	23	91	47	74
Share buy-back	(777)	(1 610)	(864)	(2 267)	(2 267)
Dividends paid and repayment of equity to minority interests in subsidiaries	(239)	-	(665)	(209)	(219)
Dividends paid to Telenor's shareholders	(187)	(135)	(3 389)	(2 595)	(2 595)
Net cash flows from financing activities	17 162	(2 247)	20 932	(2 814)	(832)
Effects of exchange rate changes on cash and cash equivalents	332	25	11	155	215
Net change in cash and cash equivalents	9 265	(4 508)	9 993	952	1 725
Cash and cash equivalents at the beginning of the period	7 534	10 541	6 806	5 081	5 081
Cash and cash equivalents at the end of the period	16 799	6 033	16 799	6 033	6 806

	2004				2005				2006		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Promonte – Montenegro											
No. of mobile subscriptions (in thousands)	-	-	340	279	279	303	394	310	324	363	479
– of which prepaid	-	-	297	234	235	263	352	265	276	309	424
Average traffic minutes per subscription per month (AMPU) in the quarter	-	-	113	87	91	105	109	92	104	121	120
Average revenue per subscription per month (ARPU) in the quarter	-	-	139	107	115	129	126	95	111	120	125
– of which contract	-	-	309	284	288	338	339	269	284	297	303
– of which prepaid	-	-	111	79	82	97	103	71	81	90	100
DTAC – Thailand											
No. of mobile subscriptions (100% in thousands)	-	-	-	-	-	-	-	8 677	9 823	10 622	11 241
– of which prepaid	-	-	-	-	-	-	-	7 212	8 185	8 806	9 274
Average traffic minutes per subscription per month (AMPU) in the quarter	-	-	-	-	-	-	-	231	295	327	314
Average revenue per subscription per month (ARPU) in the quarter	-	-	-	-	-	-	-	66	69	59	58
– of which contract	-	-	-	-	-	-	-	141	150	126	123
– of which prepaid	-	-	-	-	-	-	-	51	53	45	44
DiGi – Malaysia											
No. of mobile subscriptions (100% in thousands)	2 413	2 583	2 804	3 239	3 461	3 765	4 187	4 795	5 086	5 440	5 590
– of which prepaid	2 301	2 453	2 653	3 067	3 259	3 525	3 880	4 441	4 704	5 018	5 126
Average traffic minutes per subscription per month (AMPU) in the quarter	167	164	170	165	163	170	175	169	162	163	162
Average revenue per subscription per month (ARPU) in the quarter	113	107	110	98	92	99	100	102	97	93	90
– of which contract	312	312	297	238	233	216	192	174	172	180	163
– of which prepaid	104	97	100	90	84	93	93	97	92	86	84
GrameenPhone – Bangladesh											
No. of mobile subscriptions (100% in thousands)	1 520	1 795	2 024	2 388	2 928	3 704	4 215	5 542	6 427	8 459	9 404
– of which prepaid	1 258	1 501	1 730	2 092	2 625	3 375	3 860	5 159	6 030	8 015	8 904
Average traffic minutes per subscription per month (AMPU) in the quarter	239	246	249	241	237	223	223	250	196	213	214
Average revenue per subscription per month (ARPU) in the quarter	120	106	103	87	81	69	65	56	51	45	41
– of which contract	331	287	302	257	288	284	282	258	258	234	220
– of which prepaid	71	69	67	60	54	47	45	39	37	33	31
Telenor – Pakistan											
No. of mobile subscriptions (in thousands)	-	-	-	-	344	836	1 200	1 868	2 527	3 205	4 597
– of which prepaid	-	-	-	-	342	829	1 183	1 836	2 495	3 165	4 555
Average traffic minutes per subscription per month (AMPU) in the quarter	-	-	-	-	-	74	93	131	136	146	123
Average revenue per subscription per month (ARPU) in the quarter	-	-	-	-	-	22	25	30	32	30	27
– of which contract	-	-	-	-	-	154	99	72	59	59	51
– of which prepaid	-	-	-	-	-	21	24	29	31	30	27

Analytical Information (cont.)

	2004				2005				2006		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
FIXED – Norway											
Retail market											
No. of Telephony subscriptions (in thousands)	1 932	1 886	1 838	1 800	1 757	1 705	1 664	1 622	1 577	1 545	1 513
– of which PSTN subscriptions (in thousands)	1 248	1 219	1 196	1 182	1 165	1 139	1 118	1 089	1 054	1 017	991
– of which ISDN subscriptions (in thousands)	684	667	642	618	592	562	538	509	479	454	434
– of which VoIP subscriptions (in thousands)	-	-	-	-	-	4	8	24	44	74	88
No. of xDSL subscriptions (in thousands)	208	235	270	326	385	415	444	475	511	527	542
Telephony generated traffic (million minutes)	3 725	3 279	2 851	3 171	2 848	2 644	2 289	2 502	2 277	1 997	1 721
Wholesale market											
No. of Telephony subscriptions (in thousands)	227	266	285	301	309	316	316	314	316	308	296
– of which PSTN subscriptions (in thousands)	151	170	180	188	192	200	202	202	203	201	194
– of which ISDN subscriptions (in thousands)	76	96	105	113	117	116	114	112	113	107	102
No. of xDSL subscriptions (in thousands)	76	86	90	91	77	87	97	109	117	123	130
No. of LLUB (in thousands)	96	108	123	145	172	192	209	235	254	265	276
FIXED – Sweden											
Bredbandsbolaget											
No. of xDSL subscriptions (in thousands)	-	-	-	-	-	-	200	214	229	242	264
No. of LAN subscriptions (in thousands)	-	-	-	-	-	-	156	155	156	158	165
No. of VoIP subscriptions (in thousands)	-	-	-	-	-	-	91	104	119	134	147
Glocalnet											
No. of xDSL subscriptions (in thousands)	-	-	-	-	-	-	-	-	113	117	119
No. of PSTN subscriptions (in thousands)	-	-	-	-	-	-	-	-	285	284	273
FIXED – Denmark											
No. of xDSL subscriptions (in thousands)	-	-	-	-	-	-	109	122	138	152	164
No. of VoIP subscriptions (in thousands)	-	-	-	-	-	-	18	26	37	41	52
BROADCAST											
No. of television subscribers in the Nordic region											
– DTH pay TV subscribers (in thousands)	778	782	800	824	851	853	876	906	918	921	929
– Cable TV subscribers (in thousands)	605	611	614	624	616	619	636	681	684	687	691
– Households in satellite master antenna TV networks (in thousands)	1 132	1 161	1 190	1 212	1 197	1 205	1 184	1 177	1 120	1 119	1 154
– Cable TV Internet access (in thousands)	34	35	38	44	48	50	53	73	78	81	84
GROUP											
No. of man-years	20 600	20 200	20 700	20 900	21 900	22 400	23 400	27 600	30 450	31 750	33 250
– of which outside Norway	8 650	8 750	9 450	9 500	10 600	11 100	12 400	16 700	19 400	21 000	22 500

The Operations

Third Quarter

(NOK in millions)	Revenues			EBITDA				Operating profit (loss)				Profit (loss) before taxes and minority interests	
	2006	2005	Growth	2006	Margin	2005	Margin	2006	Margin	2005	Margin	2006	2005
Telenor Mobile – Norway	3 458	3 121	10.8%	1 513	43.8%	1 218	39.0%	1 307	37.8%	990	31.7%	1 329	1 011
Sonofon – Denmark	1 428	1 356	5.3%	390	27.3%	307	22.6%	110	7.7%	(1)	nm	55	(45)
Telenor Mobile – Sweden	1 550	68	nm	371	23.9%	(139)	nm	(70)	nm	(139)	nm	(83)	(146)
Kyivstar – Ukraine	3 025	2 076	45.7%	1 827	60.4%	1 148	55.3%	1 419	46.9%	826	39.8%	1 374	779
Pannon – Hungary	1 464	1 583	(7.5%)	581	39.7%	650	41.1%	330	22.5%	355	22.4%	342	375
DTAC – Thailand	2 041	-	nm	732	35.9%	-	nm	376	18.4%	-	nm	216	-
DiGi – Malaysia	1 584	1 285	23.3%	721	45.5%	560	43.6%	424	26.8%	304	23.7%	435	311
GrameenPhone – Bangladesh	1 133	775	46.2%	645	56.9%	441	56.9%	476	42.0%	334	43.1%	470	321
Other mobile operations	719	256	nm	138	nm	(36)	nm	(29)	nm	(143)	nm	505	299
Fixed	4 841	4 964	(2.5%)	1 671	34.5%	1 430	28.8%	893	18.4%	558	11.2%	808	409
Broadcast	1 573	1 392	13.0%	485	30.8%	394	28.3%	338	21.5%	261	18.8%	269	216
Other operations	2 605	2 420	7.6%	83	3.2%	423	17.5%	(197)	nm	165	nm	413	(35)
Eliminations	(1 553)	(1 655)	nm	(84)	nm	(18)	nm	(82)	nm	(38)	nm	(83)	290
Total	23 868	17 641	35.3%	9 073	38.0%	6 378	36.2%	5 295	22.2%	3 472	19.7%	6 050	3 785

Three First Quarters

(NOK in millions)	Revenues			EBITDA				Operating profit (loss)				Profit (loss) before taxes and minority interests	
	2006	2005	Growth	2006	Margin	2005	Margin	2006	Margin	2005	Margin	2006	2005
Telenor Mobile – Norway	9 836	9 008	9.2%	4 201	42.7%	3 285	36.5%	3 531	35.9%	2 604	28.9%	3 614	2 669
Sonofon – Denmark	4 128	3 857	7.0%	1 002	24.3%	868	22.5%	165	4.0%	(121)	nm	(1)	(246)
Telenor Mobile – Sweden	4 281	196	nm	782	18.3%	(167)	nm	(412)	nm	(167)	nm	(445)	(187)
Kyivstar – Ukraine	7 934	4 882	62.5%	4 855	61.2%	2 691	55.1%	3 687	46.5%	1 807	37.0%	3 499	1 727
Pannon – Hungary	4 304	4 496	(4.3%)	1 688	39.2%	1 651	36.7%	871	20.2%	762	16.9%	911	821
DTAC – Thailand	5 966	-	nm	2 149	36.0%	-	nm	1 121	18.8%	-	nm	757	-
DiGi – Malaysia	4 674	3 480	34.3%	2 121	45.4%	1 510	43.4%	1 338	28.6%	743	21.4%	1 369	714
GrameenPhone – Bangladesh	3 085	2 120	45.5%	1 792	58.1%	1 104	52.1%	1 316	42.7%	831	39.2%	1 251	802
Other mobile operations	1 452	532	172.9%	64	nm	(226)	nm	(381)	nm	(492)	nm	764	670
Fixed	14 907	14 288	4.3%	4 797	32.2%	4 342	30.4%	2 510	16.8%	1 978	13.8%	2 255	1 640
Broadcast	4 654	4 183	11.3%	1 330	28.6%	1 185	28.3%	873	18.8%	771	18.4%	2 465	1 041
Other operations	7 872	7 429	6.0%	303	3.8%	897	12.1%	(497)	nm	127	nm	(402)	154
Eliminations	(4 773)	(5 018)	nm	(225)	nm	(26)	nm	(221)	nm	(87)	nm	(225)	120
Total	68 320	49 453	38.2%	24 859	36.4%	17 114	34.6%	13 901	20.3%	8 756	17.7%	15 812	9 925

Special Items

(NOK in millions)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	2005
Gains on disposal of fixed assets and operations					
Sonofon – Denmark	-	1	-	1	1
Pannon – Hungary	1	4	6	10	10
DTAC – Thailand	1	-	1	-	-
GrameenPhone – Bangladesh	-	-	1	-	-
Fixed	-	(2)	5	51	88
Broadcast	-	-	4	1	1
EDB Business Partner	-	25	-	25	31
Other business units	(1)	8	37	20	22
Corporate functions and Group activities	3	58	20	137	163
Eliminations	-	-	-	-	4
Total gains on disposal of fixed assets and operations	4	94	74	245	320
Losses on disposal of fixed assets and operations					
Telenor Mobile – Norway	-	6	-	13	16
Telenor Mobile – Sweden	(4)	-	-	-	-
Kyivstar – Ukraine	-	-	1	-	-
Pannon – Hungary	2	17	6	22	19
DiGi – Malaysia	-	5	-	5	5
GrameenPhone – Bangladesh	19	10	20	10	10
Other mobile operations	-	-	-	-	1
Fixed	4	-	(7)	-	65
Broadcast	-	1	2	1	1
Other business units	-	-	-	-	1
Corporate functions and Group activities	1	1	40	29	33
Eliminations	-	-	-	-	1
Total losses on disposal of fixed assets and operations	22	40	62	80	152
Expenses for workforce reductions and loss contracts					
Telenor Mobile – Norway	1	-	13	(1)	(2)
Sonofon – Denmark	37	-	42	3	12
Telenor Mobile – Sweden	-	123	40	123	414
Pannon – Hungary	-	-	-	-	10
Fixed	17	135	64	151	159
EDB Business Partner	144	-	144	5	18
Other business units	-	7	8	7	15
Corporate functions and Group activities	6	11	16	13	29
Eliminations	1	(2)	-	(3)	(245)
Total workforce reductions and loss contracts	206	274	327	298	410
Total other (income) and expenses	224	220	315	133	242
Write-downs					
(NOK in millions)					
	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	2005
Write-downs					
Telenor Mobile – Norway	-	4	33	14	16
Telenor Mobile – Sweden	6	-	6	-	-
Kyivstar – Ukraine	13	-	13	-	15
Pannon – Hungary	-	1	33	3	7
DiGi – Malaysia	1	1	8	2	5
Fixed	9	(2)	24	(22)	587
Broadcast	-	-	3	4	(53)
Other business units	-	-	-	-	8
Corporate functions and Group activities	-	-	-	-	2
Total write-downs	29	4	120	1	587
Special items associated companies					
(Gains) losses on disposal of ownership interests	-	7	(6)	4	1
Write-downs associated companies	-	-	11	-	172
(Gains) losses on disposal and write-downs of associated companies	-	7	5	4	173
Net (gains) losses and write-downs financial items	(5)	(3)	(1 805)	(487)	(518)

Reconciliations

(NOK in millions)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	2005
Profit from total operations	4 417	2 649	11 521	6 947	9 134
Profit (loss) from discontinued operations	-	-	(22)	-	(4)
Profit from continuing operations	4 417	2 649	11 543	6 947	9 138
Taxes	(1 633)	(1 136)	(4 269)	(2 978)	(3 453)
Profit before taxes	6 050	3 785	15 812	9 925	12 591
Net financial items	193	(122)	675	1	(347)
Associated companies	562	435	1 236	1 168	1 233
Depreciation and amortization	3 749	2 902	10 838	8 357	11 544
Write-downs	29	4	120	1	587
EBITDA	9 073	6 378	24 859	17 114	23 836
EBITDA	9 073	6 378	24 859	17 114	23 836
Other (income) and expenses	224	220	315	133	242
EBITDA before other income and expenses	9 297	6 598	25 174	17 247	24 078
Operating profit	5 295	3 472	13 901	8 756	11 705
Write-downs	29	4	120	1	587
Other (income) and expenses	224	220	315	133	242
Adjusted operating profit	5 548	3 696	14 336	8 890	12 534
Profit before taxes	6 050	3 785	15 812	9 925	12 591
Net (gains) losses and write-downs financial items	(5)	(3)	(1 805)	(487)	(518)
(Gains) losses on disposal and write downs of associated companies	-	7	5	4	173
Write-downs	29	4	120	1	587
Other (income) and expenses	224	220	315	133	242
Adjusted profit before taxes	6 298	4 013	14 447	9 576	13 075

Specification of Depreciation and Amortization

(NOK in millions)	3rd quarter		First three quarters		Year
	2006	2005	2006	2005	2005
Depreciation of tangible assets					
Telenor Mobile – Norway	149	171	446	502	661
Sonofon – Denmark	97	102	284	324	416
Telenor Mobile – Sweden	128	-	618	-	-
Kyivstar – Ukraine	277	231	804	641	868
Pannon – Hungary	122	147	382	455	594
Telenor – Serbia	9	-	9	-	-
Promonte – Montenegro	17	17	50	54	70
DTAC – Thailand	33	-	98	-	26
DiGi – Malaysia	272	224	714	662	912
GrameenPhone – Bangladesh	161	98	448	252	410
Telenor – Pakistan	82	29	216	65	117
Fixed	536	774	1 613	2 131	2 689
Broadcast	131	116	404	360	486
Other operations	219	210	633	629	837
Eliminations	(17)	1	(49)	-	(3)
Total depreciation of tangible assets	2 216	2 120	6 670	6 075	8 083
Amortization of other intangible assets and prepaid lease payments					
Telenor Mobile – Norway	57	53	191	165	228
Sonofon – Denmark	183	206	553	665	869
Telenor Mobile – Sweden	307	-	570	-	-
Kyivstar – Ukraine	118	91	351	243	341
Pannon – Hungary	129	147	402	431	577
Telenor – Serbia	8	-	8	-	-
Promonte – Montenegro	21	23	65	71	95
DTAC – Thailand	323	-	930	-	194
DiGi – Malaysia	24	31	61	103	126
GrameenPhone – Bangladesh	8	8	28	21	29
Telenor – Pakistan	30	38	97	76	109
Fixed	233	100	650	255	547
Broadcast	16	17	50	50	68
Other operations	61	48	167	141	196
Eliminations	15	20	45	61	82
Total amortization of other intangible assets	1 533	782	4 168	2 282	3 461

Definitions

- Underlying growth is defined as revenue growth adjusted for the effects of acquisition and disposal of operations and currency effects.
- For reconciliation of EBITDA before other income and expenses and adjusted operating profit, see the table 'Reconciliations' on page 19.
- Capital expenditure (Capex) is investments in tangible and intangible assets.
- Investments in businesses comprise acquisitions of shares and participations, including acquisitions of subsidiaries and businesses not organised as separate companies.
- Operating cash flow is defined as EBITDA – Capex.

Mobile Operations

Revenues

Subscription and traffic

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

Interconnection revenues

– consist of revenues from incoming traffic. Revenues from incoming traffic related to service provider subscriptions are not included.

Other mobile revenues

– consist of inbound roaming, national roaming and revenues related to service providers and MVNOs (Mobile Virtual Network Operators).

Non-mobile revenues

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

Key Figures

Subscriptions

Contract subscriptions are counted until the subscription is terminated.

Prepaid subscriptions are counted as active if there has been outgoing or incoming traffic or if the SIM-card has been reloaded during the last three months. Service provider and MVNO subscriptions are not included. Data only SIM-cards are included, but SIM-cards used for telemetric applications are excluded. Telemetric is defined as machine-to-machine SIM-cards (M2M), for example, vending machines and meter readings.

Average traffic minutes per subscription per month (AMPU)

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

Average revenue per subscription per month (ARPU)

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

'Mobile revenues company's subscriptions' consist of 'Subscription and traffic' and 'Interconnection revenues' 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.

Fixed – Norway

Revenues

Telephony

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

xDSL/Internet

– consist of subscription fee for xDSL and Internet and traffic charges for Internet traffic (810/815).

Data services

– consist of Nordicom, Frame relay and IP-VPN.

Other revenue

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

Wholesale revenues

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

Broadcast

Revenues

Distribution

– consist of revenues from Pay TV subscribers and basic tier households on DTH (direct to home), cable TV subscribers, households in SMATV networks and DTT (Digital terrestrial TV) Pay TV subscribers.

Transmission

– consist of revenues from satellite services from satellite position 1-degree west and revenue from terrestrial radio and TV transmission in Norway.

Other

consist of revenues from conditional access systems and revenue not directly related to Distribution and Transmission services.

Business Combinations

One significant business combination has been effected in the third quarter of 2006.

Telenor – Serbia

On 31 August 2006, Telenor acquired 100% of the issued share capital of Mobi 63 d.o.o. in Serbia for a cash consideration of NOK 11.98 billion. The value was set based on an auction of 100% of Mobi 63 and a 10 year licence for GSM 900/1800 and 3G. The transaction has been accounted for by the acquisition method of accounting.

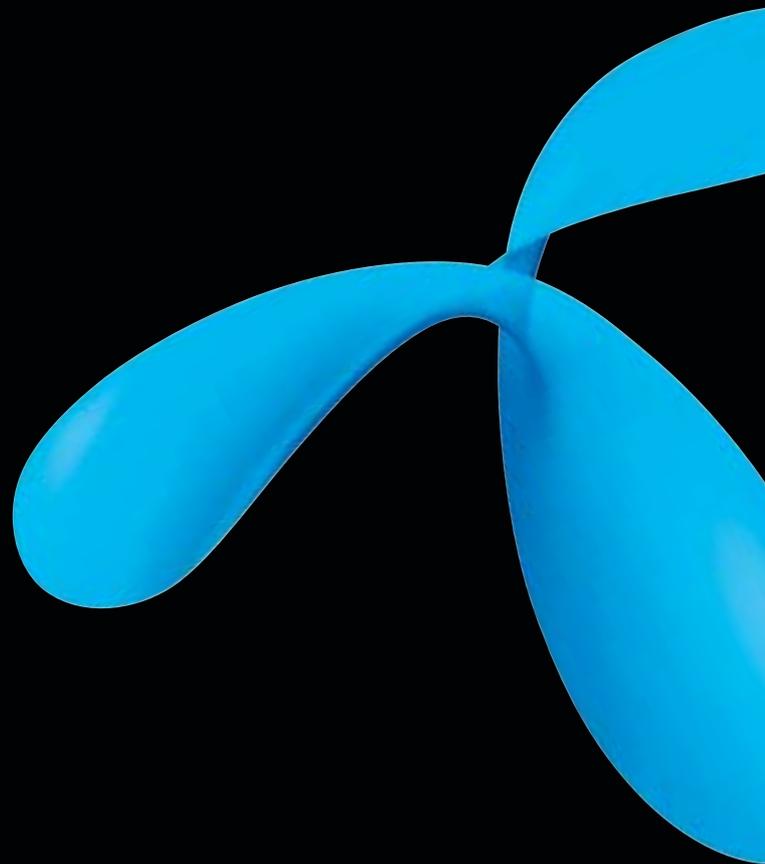
Telenor – Serbia offers high quality mobile services to residential and business customers in Serbia.

The initial purchase price allocation has been determined provisionally due to completed valuation by independent financial experts of the fair values of assets acquired and liabilities assumed has not been completed yet. The preliminary net assets acquired in the transaction, and the goodwill arising, are as follows:

(NOK in millions)	Estimated fair value
Customer base	380
Licence	2 572
Software	106
Property, plant and equipment	968
Current assets excluding cash and cash equivalents	81
Bank and cash balances	-
Deferred tax liability	(38)
Non-current assets	-
Current assets	(50)
Net assets	4 019
Goodwill	7 961
Total consideration, satisfied by cash	11 980

The goodwill arising on the acquisition of Telenor – Serbia is attributable to the anticipated profitability of its operations.

Telenor – Serbia contributed NOK 175 million in revenues and a profit of NOK 83 million to the Telenor Group's profit before tax for the period between the date of acquisition and 30 September 2006. This includes the results from the company and amortization of fair value adjustments, but does not include Telenor's interest expenses related to the financing of the acquisition.





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