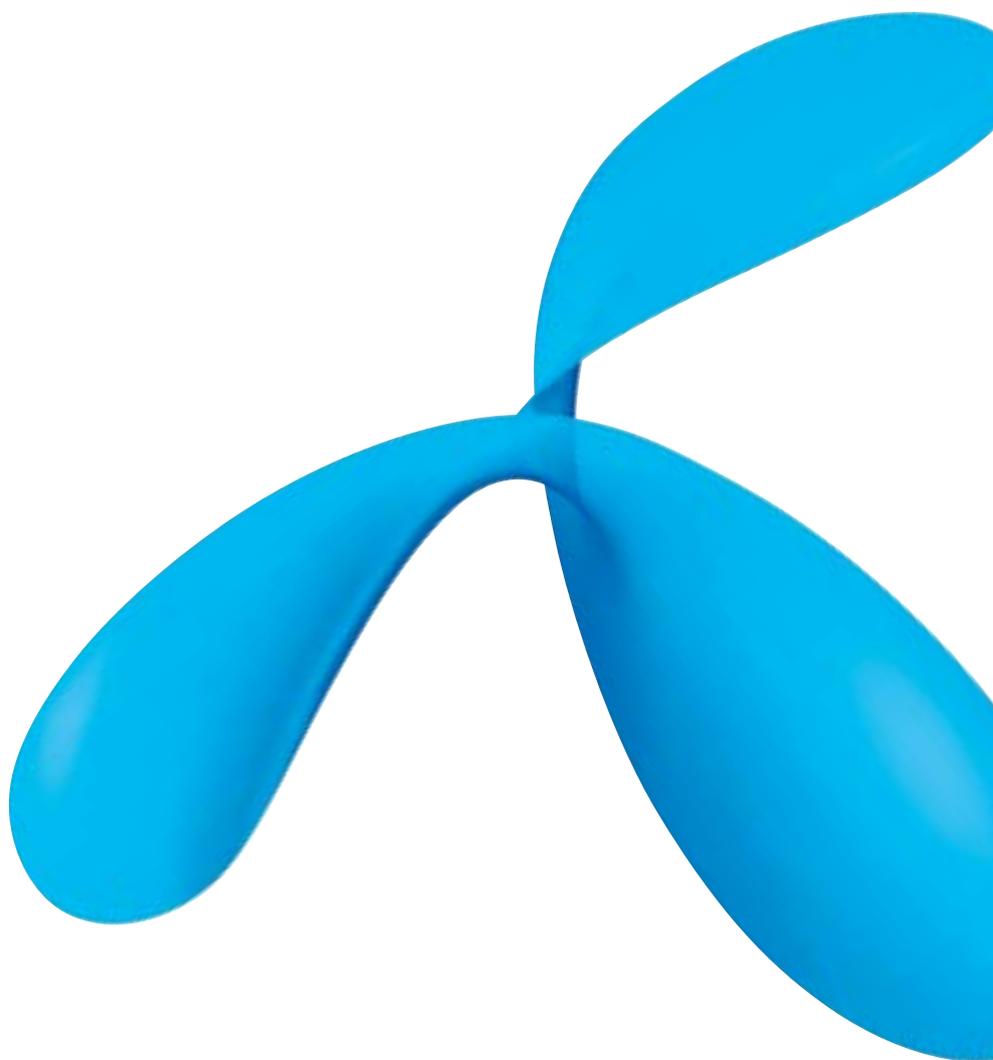
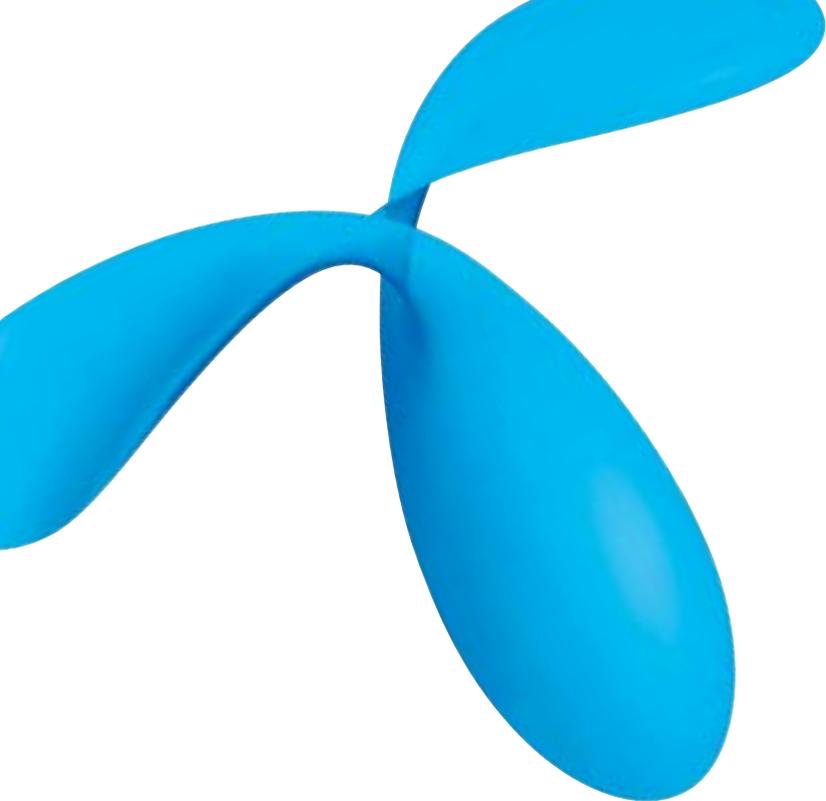


Q3 2008

Interim report January–September 2008





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Stable performance in turbulent times

Highlights (including Kyivstar)

Third quarter 2008

- Organic revenue growth of 4%
- EBITDA margin of 36%
- Earnings per share of NOK 1.80

First three quarters 2008

- Organic revenue growth of 6%
- EBITDA margin of 35%
- Earnings per share of NOK 6.64

Jon Fredrik Baksaas
Jon Fredrik Baksaas
President & CEO



“We are delivering a quarter with strong EBITDA margin and a solid operating cash flow despite reduced growth in revenues. During the quarter our mobile operations added 6 million subscriptions, reaching a total of 159 million.

Our business environment is currently more turbulent and we foresee a period with lower global growth. In Asia in particular, the revenue development continues to be affected by the macro economic development as well as strong competition. In Pakistan, we are experiencing negative market parameters with reduced consumer spending, intense competition as well as an increase in consumer sales tax. This has affected both revenues and margins negatively this quarter.

In Norway, our mobile operation continued the solid organic growth in retail revenues with a 5% increase for the first three quarters of 2008, and Broadcast delivered high revenues and a considerable increase in broadband subscriptions. In Sweden, we have restructured the organisation to ensure operational efficiency in a competitive market.

I am pleased that all of our Central Eastern European operations have maintained strong market positions and delivered a quarter with strong financial results. Kyivstar, especially, is seeing results from its strategy of prioritising high quality network and services.

For the second year in a row Telenor has been ranked number one on sustainability in mobile telecommunications on the Dow Jones Sustainability Indexes (DJSI). Telenor was ranked as the industry leader among 17 mobile telecommunications companies on a range of economic, social and environmental criteria. We see this as a recognition of our continuous efforts to deliver sustainable business operations.

We maintain our outlook for 2008.”

KEY FIGURES*)

	3rd quarter		First three quarters		Year
	2008 Proforma Group	2007 Proforma Group	2008 Proforma Group	2007 Proforma Group	2007 Proforma Group
<i>(NOK in millions except earnings per share)</i>					
Revenues	27 620	26 551	81 090	78 107	105 021
EBITDA before other income and expenses	10 033	9 483	28 580	27 527	36 358
EBITDA before other income and expenses/Revenues (%)	36.3	35.7	35.2	35.2	34.6
Adjusted operating profit	6 091	5 564	17 209	15 874	20 642
Adjusted operating profit/Revenues (%)	22.1	21.0	21.2	20.3	19.7
Profit after taxes and non-controlling interests	2 995	5 097	11 102	12 147	18 016
Earnings per share from total operations, basic, in NOK	1.80	3.03	6.64	7.23	10.72
Capex	4 001	5 275	15 476	14 995	22 079
Investments in businesses	223	628	1 697	5 594	6 041
Net interest-bearing liabilities	-	-	31 396	37 557	36 464

EXTRACT FROM OUTLOOK FOR 2008

Based on the group structure and currency rates as of 30 September 2008, where Kyivstar is reported as an associated company, Telenor expects a reported revenue growth of around 3% with an EBITDA margin before other income and expenses above 31%. Capital expenditure, as a proportion of revenues, is expected to be around 20%.

Please refer to page 9 for the full outlook for 2008, and page 17 for definitions.

*) Kyivstar was deconsolidated and accounted for as an associated company from 29 December 2006. From the fourth quarter of 2007, after the last remaining injunction was lifted, Kyivstar resumed its financial reporting to Telenor. In the fourth quarter of 2007, the full year effect of Kyivstar's figures is reflected in the line "Net result from associated companies". Proforma figures for 2007 and 2008, assuming Kyivstar was still consolidated, are included in the table above.



Management interim report

Telenor's operations

Unless otherwise stated, the statements below are related to Telenor's development in the third quarter of 2008 compared to the third quarter of 2007. All comments are made on development in EBITDA before other income and expenses. Please refer to page 8 for comments on other income and expenses. Additional information is available at: www.telenor.com/ir

Kyivstar was deconsolidated from 29 December 2006, due to injunctions in Ukraine prohibiting Kyivstar's management from providing financial information to Kyivstar's external auditors and its shareholders, including Telenor. In response to the termination of the last of the three injunctions by a Ukrainian court on 23 November 2007, Kyivstar is now providing Telenor with unaudited financial information.

As a consequence of Alfa Group's continuing collusive litigation in Ukraine and its ongoing boycott of Kyivstar's board and shareholder meetings in defiance of an international arbitration award and two court orders, Telenor remains unable to consolidate Kyivstar's financial results. In addition, due to Storm's (an Alfa subsidiary) boycott of Kyivstar board meetings, Kyivstar remains unable to engage external auditors to audit its 2006 and 2007 financial statements. During the period from 29 December 2006 to 23 November 2007, when the injunctions were in place, Telenor was also prevented from using its internal auditors to review Kyivstar's financial statements. Kyivstar's newly established internal audit function, with support from Telenor, has begun to undertake internal audit work in Kyivstar. However, no internal audit of Kyivstar's financial statements has been completed to date. There is a possibility that when external auditors are again able to audit Kyivstar's financial statements discrepancies may emerge between the unaudited financial information for 2006, 2007 and the first three quarters of 2008 that has been provided by Kyivstar and Kyivstar's actual financial condition for the relevant periods.

To restore corporate governance in Kyivstar, Telenor intends to continue its efforts to enforce the arbitration award and court orders against Alfa and its affiliates, including Storm and Altimo. In this respect, Telenor filed on 23 January 2008 a contempt motion with the federal court in New York against Storm LLC, its two direct shareholders Alpren Ltd. and Hardlake Ltd., and Altimo Holdings & Investments Ltd. A hearing of the case was held on 11 March 2008 and the court is expected to rule shortly. At the end of the fourth quarter of 2007, Telenor held 56.52% of the shares in Kyivstar, while the remaining 43.48% were held by Storm, an Alfa affiliate. Kyivstar has been accounted for as an associated company from 29 December 2006 and presented separately as Investment in Kyivstar in the balance sheet up until the fourth quarter of 2007, when the remaining injunction was lifted and Kyivstar resumed its financial reporting to Telenor. From the fourth quarter of 2007 Kyivstar is no longer presented on a separate line, but included in the line associated companies.

NORWAY

Mobile – Norway

(NOK in millions)	3rd quarter		First three quarters		Year
	2008	2007	2008	2007	2007
Revenues					
Subscription and traffic	2 396	2 266	6 967	6 482	8 721
Interconnect revenues	458	465	1 383	1 384	1 838
Other mobile revenues	286	542	879	1 658	2 029
Non-mobile revenues	109	125	348	401	554
Total revenues	3 249	3 398	9 577	9 925	13 142

EBITDA before other items	1 182	1 224	3 475	3 707	4 716
Operating profit	984	1 042	2 860	3 170	3 977

EBITDA before other items/					
Total revenues (%)	36.4	36.0	36.3	37.4	35.9
Capex	185	209	649	700	1 102
Investments in businesses	-	-	-	-	181

No. of subscriptions (in thousands):

- Change in quarter/Total	64	42	2 980	2 808	2 856
ARPU – monthly (NOK)	322	327	320	317	317

- The total number of subscriptions increased by 64,000 during the quarter, including an increase of 41,000 in the number of mobile broadband subscriptions. The market share remained stable and was estimated at 54%.
- ARPU decreased by 2% driven by lower prices not fully compensated for by increased average usage (AMPU).
- Total revenues decreased by 4%. There was a 3% organic growth in retail revenues, while wholesale revenues decreased mainly due to the migration of Tele2, which was completed at the end of the first quarter.
- Network Norway entered into a national roaming agreement with Telenor during the first quarter of 2008. Customers have been transferred to Telenor's network during the third quarter, with full effect from the fourth quarter.
- The EBITDA margin was 36%, slightly higher than in 2007, as increased retail revenues and reduced costs were partly offset by lower wholesale revenues.

Fixed – Norway

(NOK in millions)	3rd quarter		First three quarters		Year
	2008	2007	2008	2007	2007
Revenues					
Telephony	1 123	1 287	3 546	4 070	5 344
xDSL/Internet	662	650	2 001	1 907	2 566
Data services	179	203	537	604	802
Other	349	284	916	914	1 248
Total retail	2 313	2 424	7 000	7 495	9 960
Wholesale	1 307	1 316	3 907	3 902	5 228
Total revenues	3 620	3 740	10 907	11 397	15 188

EBITDA before other items	1 373	1 424	3 978	4 233	5 550
Operating profit	790	900	2 257	2 679	3 459

EBITDA before other items/					
Total revenues (%)	37.9	38.1	36.5	37.1	36.5
Capex	454	486	1 533	1 358	1 906
Investments in businesses	212	-	212	-	-

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

Telephony	(17)	(24)	1 323	1 409	1 385
- of which PSTN	(12)	(18)	855	909	894
- of which ISDN	(9)	(12)	328	374	360
- of which VoIP	4	6	140	126	131
xDSL	4	13	650	619	633

- Telenor's estimated market share for telephony, measured in traffic minutes, was maintained at 61% at the end of the third quarter. The estimated market share for xDSL in the retail market increased by 1 percentage point to 58%.
- Datamatrix was consolidated from 2 September 2008, and contributed with revenues of NOK 42 million and EBITDA of NOK 1 million in the third quarter of 2008.
- Adjusted for the effects of Datamatrix, total revenues decreased by 4% due to price and volume reductions.
- Revenues from telephony decreased due to continued reduction in the number of subscriptions and lower traffic volumes per subscription. The declining trend in the number of PSTN/ISDN subscriptions has been reduced over the last five quarters.
- Revenues from xDSL/Internet increased due to growth in the number of xDSL subscriptions.
- Wholesale revenues were stable, mainly as a result of price reductions and decreased revenues from telephony and DSL, being offset by increased revenues from international interconnect and transit traffic.
- Capital expenditure decreased due to lower investments in IS/IT systems.

SWEDEN

(NOK in millions)	3rd quarter		First three quarters		Year
	2008	2007	2008	2007	2007

Revenues mobile operation					
Subscription and traffic	1 123	1 110	3 332	3 334	4 433
Interconnect revenues	197	219	652	675	914
Other mobile revenues	121	129	317	364	461
Non-mobile revenues	155	164	433	479	656
Total revenues mobile operation	1 596	1 622	4 734	4 852	6 464
Revenues fixed operation	799	845	2 440	2 706	3 575
Eliminations	(25)	(6)	(52)	(42)	(49)
Total revenues	2 370	2 473	7 122	7 516	9 990

EBITDA before other items	573	540	1 529	1 475	1 973
Operating loss	(89)	(6)	(114)	(205)	(496)

EBITDA before other items/					
Total revenues (%)	24.2	21.8	21.5	19.6	19.7
Capex	213	264	1 172	862	1 191
Investments in businesses	1	(1)	12	150	149

Mobile ARPU – monthly (NOK)	233	242	238	251	248
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No. of subscriptions – Change in quarter/Total (in thousands):

Mobile	(47)	59	1 837	1 853	1 855
Telephony	2	5	444	451	451
– of which PSTN	(5)	(8)	225	261	249
– of which VoIP	7	13	219	190	202
xDSL	(10)	5	446	475	475
LAN	1	2	182	181	183

Exchange rate	0.8488	0.8730	0.8682		
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- The number of mobile subscriptions decreased by 47,000 during the quarter, due to an adjustment of 100,000 inactive prepaid subscriptions, and consequently the estimated market share declined to 17%. The underlying 53,000 net additions were mainly driven by growth in contract subscriptions, of which 32,000 were mobile broadband.
- Fixed broadband subscriptions decreased by 10,000 due to lower focus on broadband services based on third party wholesale DSL as well as increased focus on mobile broadband. The estimated market share for fixed broadband in the consumer market remained stable at 23%.
- Total revenues in local currency decreased by 4%.
- Mobile revenues in local currency decreased by 1% due to reduced interconnect charges from 1 July 2008 and lower roaming charges from 1 September 2007 and 1 September 2008, while revenues from own subscriptions remained stable.

- Fixed revenues in local currency decreased by 5% primarily driven by decreased number of PSTN subscriptions, lower broadband ARPU and loss of two large contracts in the business and wholesale segments.
- The EBITDA margin in Sweden was 21% after adjusting for a one-time compensation from a vendor. The 1 percentage point reduction in EBITDA margin compared to last year was due to higher costs related to sales and marketing activities.

DENMARK

(NOK in millions)	3rd quarter		First three quarters		Year
	2008	2007	2008	2007	2007

Revenues mobile operation					
Subscription and traffic	873	813	2 486	2 245	3 041
Interconnect revenues	335	326	1 028	1 036	1 393
Other mobile revenues	111	119	313	405	477
Non-mobile revenues	212	230	636	698	939
Total revenues mobile operation	1 531	1 488	4 463	4 384	5 850
Revenues fixed operation	378	403	1 167	855	1 278
Eliminations	(37)	(25)	(78)	(36)	(61)
Total revenues	1 872	1 866	5 552	5 203	7 067

EBITDA before other items	475	465	1 277	1 389	1 786
Operating profit	116	176	339	493	568

EBITDA before other items/					
Total revenues (%)	25.4	24.9	23.0	26.7	25.3
Capex	266	267	861	702	1 191
Investments in businesses	-	596	-	596	602

Mobile ARPU – monthly (NOK)	230	231	228	242	239
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No. of subscriptions – Change in quarter/Total (in thousands):

Mobile	55	199	1 783	1 667	1 680
Telephony	(3)	188	255	270	266
– of which PSTN	(12)	179	130	179	167
– of which VoIP	9	9	125	91	99
xDSL	2	74	282	266	272

Exchange rate		1.0710	1.0800	1.0770	
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Tele2 Denmark is consolidated with effect from 13 July 2007.

- The number of mobile subscriptions increased by 55,000 during the quarter. The increase was partly due to an adjustment of active CBB subscriptions previously not included. The estimated market share increased to 27%.
- Mobile ARPU in local currency decreased by 2%, mainly due to reduced interconnect charges from 1 May 2008 and reduced roaming charges from 1 September 2007 and 1 September 2008.
- Total revenues in local currency decreased by 1%. Mobile revenues increased by 1%, while fixed revenues decreased by 7% due to lower DSL ARPU and decreased number of PSTN subscriptions.
- The EBITDA margin improved slightly. The improvement was mainly due to an increase in the number of mobile subscriptions, partly offset by the consolidation of the low margin business in Tele2, migration of Debitel as well as reduction in interconnect and roaming charges.





CENTRAL EASTERN EUROPE

Kyivstar – Ukraine

(NOK in millions)	3rd quarter		First three quarters		Year
	2008	2007	2008	2007	2007
Revenues					
Subscription and traffic	2 876	2 625	7 859	7 275	9 778
Interconnect revenues	864	705	2 172	1 898	2 566
Other mobile revenues	62	68	159	153	142
Non-mobile revenues	37	29	91	73	96
Total revenues	3 839	3 427	10 281	9 399	12 582
EBITDA before other items	2 366	2 006	6 250	5 605	7 374
Operating profit	1 895	1 503	4 908	4 199	5 564

EBITDA before other items/					
Total revenues (%)	61.6	58.5	60.8	59.6	58.6
Capex	486	449	1 230	1 532	2 602

No. of subscriptions (in thousands):					
– Change in quarter/Total	149	1 000	23 456	23 059	23 604
ARPU – monthly (NOK)	53	49	47	52	46
Exchange rate			1.0856	1.1877	1.1616

The figures for Kyivstar are included under associated companies. For further information, please see page 2 and page 8. At the end of the third quarter of 2008 Telenor's ownership interest in Kyivstar was 56.5%.

- Kyivstar confirmed its position as the market leader in Ukraine, maintaining a subscription market share of 42% and a revenue market share of 51% at the end of the third quarter.
- The number of subscriptions increased by 149,000 during the quarter, mainly as a result of seasonal campaigns.
- ARPU in local currency increased by 9% due to an increase in average usage in line with general trends in the market, while average prices declined only marginally.
- Total revenues in local currency increased by 13% primarily as a result of increased ARPU and growth in number of subscriptions.
- In local currency EBITDA increased by 19%, constituting an EBITDA margin of 62%, mainly driven by revenue growth while maintaining a stable cost level.

Pannon – Hungary

(NOK in millions)	3rd quarter		First three quarters		Year
	2008	2007	2008	2007	2007
Revenues					
Subscription and traffic	1 201	1 052	3 243	3 080	4 106
Interconnect revenues	364	384	1 032	1 173	1 571
Other mobile revenues	33	33	80	97	119
Non-mobile revenues	58	72	163	229	346
Total revenues	1 656	1 541	4 518	4 579	6 142
EBITDA before other items	719	655	1 915	1 869	2 456
Operating profit	535	480	1 392	1 303	1 727

EBITDA before other items/					
Total revenues (%)	43.4	42.5	42.4	40.8	40.0
Capex	130	118	397	268	865

No. of subscriptions (in thousands):					
– Change in quarter/Total	60	22	3 475	3 220	3 377
ARPU – monthly (NOK)	154	149	139	148	148
Exchange rate			0.0323	0.0321	0.0319

- The number of subscriptions increased by 60,000 during the quarter, mainly driven by growth in contract subscriptions. Market share remained stable at 33%.
- ARPU in local currency decreased by 5% primarily due to lower interconnect charges from 1 January 2008, reduced roaming charges from 30 August 2007 and 30 August 2008 in addition to lower average prices.
- Total revenues in local currency were in line with last year. Lower handset sales and reductions in interconnect and roaming charges were offset by growth in number of subscriptions and higher non-voice revenues.

- EBITDA in local currency increased due to reduced handset subsidies and interconnect charges, offsetting an increase in operating expenses. The EBITDA margin increased by 1 percentage point, as revenues remained stable.

Telenor – Serbia

(NOK in millions)	3rd quarter		First three quarters		Year
	2008	2007	2008	2007	2007
Subscription and traffic	634	536	1 692	1 498	1 998
Interconnect revenues	173	163	485	455	615
Other mobile revenues	38	62	102	140	185
Non-mobile revenues	16	43	53	103	137
Total revenues	861	804	2 332	2 196	2 935

EBITDA before other items	401	280	1 022	813	1 064
Operating profit	223	114	519	356	431

EBITDA before other items/					
Total revenues (%)	46.6	34.8	43.8	37.0	36.3
Capex	75	267	306	542	686

No. of subscriptions (in thousands):					
– Change in quarter/Total	78	118	3 125	2 841	2 924
ARPU – monthly (NOK)	88	83	80	81	80
Exchange rate			0.0997	0.1007	0.1005

Telenor Serbia is part of 'Other mobile operations' in Note 6.

- The number of subscriptions increased by 78,000 during the quarter, while estimated market share remained at 39%.
- Total revenues in local currency increased by 2%. Retail revenues increased by 10%, mainly driven by growth in number of subscriptions and outbound roaming, but were partly offset by lower handset and inbound roaming revenues.
- The EBITDA margin improved significantly mainly due to lower handset subsidies, reduction in costs related to sales and marketing activities as well as improved bad debt collection procedures. EBITDA in local currency increased by 37%. EBITDA in the third quarter of 2007 was affected by the entrance of a third operator.
- Capital expenditure decreased due to postponed investments in network and IT equipment.

Promonte – Montenegro

(NOK in millions)	3rd quarter		First three quarters		Year
	2008	2007	2008	2007	2007
Revenues	236	254	587	598	763
EBITDA before other items	119	132	254	289	340
Operating profit	78	95	114	176	184

EBITDA before other items/					
Total revenues (%)	50.4	52.0	43.3	48.3	44.6
Capex	20	32	54	93	122

No. of subscriptions (in thousands):					
– Change in quarter/Total	12	52	533	481	422
Exchange rate			7.9873	8.0466	8.0255

Promonte is part of 'Other mobile operations' in Note 6.

- The number of subscriptions increased by 12,000 during the quarter while the market share at the end of the third quarter was 41%.
- Revenues in local currency decreased by 8% mainly due to increased competition leading to reduced ARPU and inbound roaming revenues.
- EBITDA in local currency decreased by 11% due to reduced revenues and increased personnel costs related to increased competition and launch of new technologies.
- Capital expenditure was lower than last year, mainly due to high 3G roll-out in the third quarter of 2007.

ASIA

DTAC – Thailand

(NOK in millions)	3rd quarter		First three quarters		Year
	2008	2007	2008	2007	2007
Revenues					
Subscription and traffic	1 944	2 157	5 993	6 464	8 616
Interconnect revenues	621	707	2 011	2 076	2 770
Other mobile revenues	71	98	699	332	450
Non-mobile revenues	19	19	56	68	89
Total revenues	2 655	2 981	8 759	8 940	11 925
EBITDA before other items	802	880	3 067	2 615	3 464
Operating profit	489	308	2 130	1 021	1 347
EBITDA before other items/ Total revenues (%)	30.2	29.5	35.0	29.3	29.0
Capex	617	428	1 409	1 394	2 111
Investments in businesses	2	-	25	-	7
No. of subscriptions (in thousands):					
– Change in quarter/Total	780	402	18 213	14 878	15 772
ARPU – monthly (NOK)	48	66	52	70	68
Exchange rate			0.1623	0.1823	0.1810

At the end of the third quarter of 2008, Telenor's economic stake in DTAC was 65.5%.

- The number of subscriptions increased by 780,000 during the quarter, while the estimated market share remained stable around 30%.
- ARPU measured in local currency decreased by 16% primarily due to lower usage and a slight reduction in average prices.
- Total revenues in local currency increased by 2% mainly driven by subscription growth partially offset by lower ARPU.
- EBITDA in local currency increased by 5% mainly due to improved net interconnect balance.
- The National Telecommunications Commission's (NTC) Dispute Resolution Committee has ruled that True Corp and TT&T Public Company Limited shall enter into interconnect agreements with DTAC. Negotiations with TOT Public Company Limited (TOT) and Hutch are still ongoing.
- DTAC plans to launch 3G services on its existing 850 MHz spectrum in the second quarter of 2009.
- NTC has concluded its public hearing for 3G licensing framework for 2100 MHz spectrum and is currently completing the final proposal prior to a new hearing early 2009.

DiGi – Malaysia

(NOK in millions)	3rd quarter		First three quarters		Year
	2008	2007	2008	2007	2007
Revenues					
Subscription and traffic	1 715	1 625	5 068	4 835	6 554
Interconnect revenues	197	167	565	505	679
Other mobile revenues	26	22	73	62	85
Non-mobile revenues	25	35	67	94	112
Total revenues	1 963	1 849	5 773	5 496	7 430
EBITDA before other items	839	872	2 643	2 625	3 594
Operating profit	587	609	1 854	1 786	2 453
EBITDA before other items/ Total revenues (%)	42.7	47.2	45.8	47.8	48.4
Capex	311	267	1 913	618	1 163
No. of subscriptions (in thousands):					
– Change in quarter/Total	166	93	6 803	6 117	6 409
ARPU – monthly (NOK)	95	99	95	101	101
Exchange rate			1.6114	1.7252	1.7030

At the end of the third quarter of 2008 Telenor's ownership interest in DiGi was 49.0%.

- Growth in number of subscriptions increased compared to previous quarters, with 166,000 during the quarter. Of these, 126,000 were contract subscriptions mainly from new price plans launched.
- Total revenues in local currency increased by 10% as result of subscription growth and increased usage. Revenues in the quarter were positively affected by increased usage following bonus airtime payout as well as higher price competition, particularly on international traffic (IDD).
- Measured in local currency, EBITDA decreased by 1% mainly due to price reductions and increased costs related to sales and marketing activities due to launch of new price plans.
- Capital expenditure in local currency increased by 23% mainly driven by higher site roll-out to improve coverage and quality to cater for traffic growth.



Grameenphone – Bangladesh

(NOK in millions)	3rd quarter		First three quarters		Year
	2008	2007	2008	2007	2007
Revenues					
Subscription and traffic	1 061	1 044	3 112	3 145	4 203
Interconnect revenues	106	120	289	312	391
Other mobile revenues	3	3	10	10	13
Non-mobile revenues	5	3	11	10	15
Total revenues	1 175	1 170	3 422	3 477	4 622
EBITDA before other items	572	418	1 418	1 572	2 122
Operating profit	257	189	586	947	1 239
EBITDA before other items/					
Total revenues (%)	48.7	35.7	41.4	45.2	45.9
Capex	263	921	1 114	2 742	3 038

No. of subscriptions (in thousands):

– Change in quarter/Total	521	1 165	20 829	15 145	16 483
ARPU – monthly (NOK)	19	26	20	30	28
Exchange rate			0.0767	0.0867	0.0849

At the end of the third quarter of 2008, Telenor's ownership interest in Grameenphone was 62.0%.

- The number of subscriptions increased by 521,000 during the quarter, while the market share remained stable at 46%. Based on the Bangladesh Telecommunication Regulatory Commission's re-registration directive, Grameenphone has barred 692,000 subscriptions, of which 544,000 were churned out this quarter, while the remaining will churn out next quarter.
- ARPU in local currency decreased by 25% primarily due to decreased average prices, reduction in interconnect charges from 1 October 2007 and the effect of discounted airtime related to campaigns in the second quarter.
- Total revenues in local currency increased by 7% mainly due to growth in number of subscriptions, partially offset by reduction in ARPU.
- The EBITDA margin improved compared to last year and the previous quarter, reaching 49%. Adjusted for one-time effects in the third quarter of 2007, the EBITDA margin increased mainly as a result of lower acquisition costs due to lower subscription growth, offset by increased network service maintenance costs.
- Lower capital expenditure was mainly a result of deferral of investments related to implementation of a new network infrastructure vendor.
- The Bangladesh Telecommunication Regulatory Commission has decided to assign additional spectrum to Grameenphone. The acquisition of 7.4 MHz GSM spectrum for approximately NOK 500 million is expected to be finalized in the fourth quarter.

Telenor – Pakistan

(NOK in millions)	3rd quarter		First three quarters		Year
	2008	2007	2008	2007	2007
Revenues					
Subscription and traffic	701	713	2 345	1 940	2 749
Interconnect revenues	144	160	500	437	610
Other mobile revenues	7	4	12	12	16
Non-mobile revenues	17	10	45	25	39
Total revenues	869	887	2 902	2 414	3 414
EBITDA before other items	99	150	484	206	373
Operating loss	(122)	(28)	(183)	(292)	(362)
EBITDA before other items/					
Total revenues (%)	11.4	16.9	16.7	8.5	10.9
Capex	208	1 013	1 812	2 635	3 989

No. of subscriptions (in thousands):

– Change in quarter/Total	347	1 878	18 472	12 579	14 596
ARPU – monthly (NOK)	15	25	18	27	26
Exchange rate			0.0779	0.0985	0.0963

Telenor Pakistan is part of 'Other mobile operations' in Note 6.

- The subscription growth slowed down compared to the previous quarter with net additions of 347,000, while the market share increased slightly to 21%. Based on Pakistan Telecom Authorities (PTA) registration policy Telenor Pakistan has barred approximately 408,000 subscriptions, of which 253,000 were churned out this quarter.
- ARPU in local currency decreased by 18% as both average usage and prices declined due to the general economic slowdown in Pakistan. In addition, an increase in Federal Excise Duty Tax on telecom services from 15% to 21% effective from 1 July 2008, as well as a reduction in interconnect charges from 1 June 2008 have affected ARPU negatively.
- Total revenues in local currency increased by 30% mainly due to subscription growth of close to 6 million, partially offset by lower ARPU.
- EBITDA decreased by 6% in local currency mainly due to lower revenue growth and inflationary pressure on operating costs. The EBITDA margin declined by 9 percentage points from previous quarter primarily due to increased network costs related to high inflation as well as higher costs related to sales and marketing activities caused by intensified competition.
- Reduction in capital expenditure was related to slowdown in network roll-out.



BROADCAST

(NOK in millions)	3rd quarter		First three quarters		Year
	2008	2007	2008	2007	2007
Revenues					
Canal Digital Group	1 592	1 431	4 702	4 269	5 765
Transmission & Encryption	546	448	1 663	1 330	1 860
Other/Eliminations	(116)	(116)	(355)	(360)	(488)
Total revenues	2 022	1 763	6 010	5 239	7 137

EBITDA

Canal Digital Group	189	203	353	607	735
Transmission & Encryption	306	259	926	719	1 004
Other/Eliminations	(6)	(19)	(38)	(46)	(56)
Total EBITDA before other items	489	443	1 241	1 280	1 683

Operating profit

Canal Digital Group	97	148	131	441	502
Transmission & Encryption	196	168	588	442	615
Other/Eliminations	(22)	(24)	(107)	(59)	(76)
Total operating profit	271	292	612	824	1 041

EBITDA before other items/

Total revenues (%)	24.2	25.1	20.6	24.4	23.6
Capex	322	327	2 043	944	1 225
Investments in businesses	-	-	25	-	94

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

DTH TV	4	2	1 125	1 128	1 131
Cable TV	7	4	741	701	705
Cable TV Internet access	21	6	170	114	127

- The number of Cable TV Internet access subscriptions increased by 21,000 during the quarter.
- Total revenues increased by 15%.
- Revenues in the Canal Digital Group increased primarily due to higher sales of additional services to Cable TV subscribers, in addition to hardware sales and price increases for DTH and Cable TV subscribers. The decrease in EBITDA was mainly due to higher logistics costs resulting from higher hardware sales, and higher CRM cost related to more complex add-on products and hardware.
- Revenues and EBITDA in Transmission & Encryption increased due to higher revenues from satellite transmission following the 2008 investment in the new satellite Thor 5, sale of capacity for the remaining life of the satellite Thor 2, digital terrestrial TV (DTT) transmission, and increased sales of conditional access cards. The analogue transmission network shut off in Norway was carried out in the first region in March 2008, and is expected to be completed in November 2009.

OTHER UNITS

(NOK in millions)	3rd quarter		First three quarters		Year
	2008	2007	2008	2007	2007
Revenues					
EDB Business Partner	1 847	1 457	5 677	4 622	6 290
New Business	386	28	603	71	357
Corporate functions and Group activities	534	507	1 598	1 584	2 125
Other/eliminations	(15)	(11)	(61)	249	218
Total revenues	2 752	1 981	7 817	6 526	8 990

EBITDA

EDB Business Partner	239	240	672	651	871
New Business	(65)	(25)	(187)	(117)	(163)
Corporate functions and Group activities	(137)	(126)	(429)	(370)	(552)
Other/eliminations	2	(9)	(10)	(30)	(30)
Total EBITDA before other items	39	80	46	134	126

Operating profit (loss)

EDB Business Partner	123	142	333	354	483
New Business	(168)	(36)	(392)	(237)	(325)
Corporate functions and Group activities	(236)	(216)	(739)	(636)	(683)
Other/eliminations	1	230	(12)	187	192
Total operating profit (loss)	(280)	120	(810)	(332)	(333)

Capex	453	232	994	616	904
Investments in businesses	8	33	1 423	332	492

EDB Business Partner

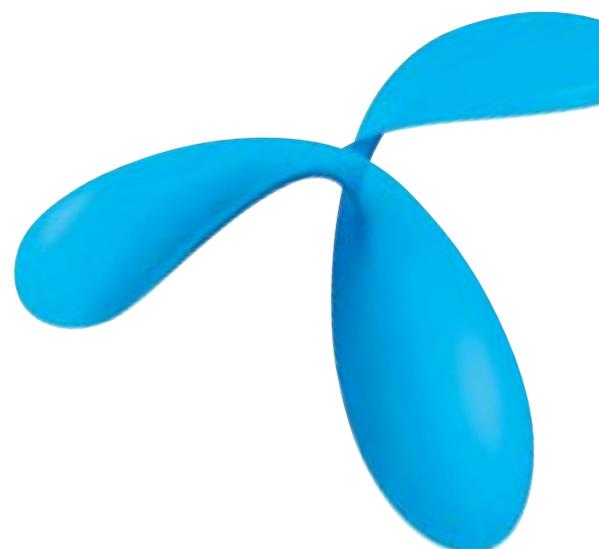
- Revenues increased by 27%, mainly related to the acquisition of IS Partner AS from StatoilHydro ASA. IS Partner AS was consolidated from 1 February 2008.

New Business

- Increased revenues were related to Telenor Cinclus.
- In the third quarter of 2008, operating profit is affected by an estimated loss on contracts. Please refer to page 8 for further comments on other income and expenses.

Other

- In the table above, Opplysningen is included in Other until 30 June 2007. Subsequently, Opplysningen has been treated as an associated company.



Group overview

The statements below are related to Telenor's development in the first three quarters of 2008 compared to the first three quarters of 2007, unless otherwise stated. The statements are made on reported figures, where Kyivstar is included as an associated company from the fourth quarter of 2007. We also refer to the section Telenor's operations and note 6, and Telenor's first and second quarter reports 2008 for further information.

REVENUES

- Revenues for the first three quarters of 2008 increased by NOK 2,094 million, or 3%, mainly related to growth in number of subscriptions in our Asian operations, a positive one-time effect in DTAC in the second quarter of NOK 400 million, as well as the acquisition of IS Partner in Norway and Tele2 in Denmark. In addition, the growth throughout the year has been negatively affected by the general strengthening of the Norwegian Krone during the first six months of the year, partly offset by a weakening of the Norwegian Krone during the third quarter.

EBITDA

- EBITDA for the first three quarters of 2008 decreased by NOK 335 million compared to last year. Higher revenues were offset by higher costs related to workforce reductions and loss contracts as well as loss on disposal of assets.

Specification of other income and expenses

(NOK in millions)	3rd quarter		First three quarters		Year
	2008	2007	2008	2007	2007
EBITDA before other income and expenses	7 667	7 477	22 330	21 922	28 984
EBITDA margin before other income and expenses (%)	32.2	32.3	31.5	31.9	31.3
Gains (losses) on disposal of fixed assets and operations	(116)	246	(191)	257	504
Workforce reductions and loss contracts	(205)	(66)	(464)	(169)	(231)
EBITDA	7 346	7 657	21 675	22 010	29 257
EBITDA margin (%)	30.9	33.1	30.6	32.0	31.6

In the third quarter of 2008 other income and expenses mainly comprised the following items:

- NOK 103 million in our Swedish operation, of which NOK 78 million were related to a restructuring of the consumer organisation during the third quarter of 2008.
- NOK 102 million in Fixed Norway mainly consisting of a recorded loss on disposal of fixed assets related to an ongoing dispute with IBM. In relation to this issue, a lawsuit has been filed against IBM due to breach of contract.
- NOK 86 million in New Business related to an estimated loss on contracts in Telenor Cinclus.
- NOK 33 million in Broadcast of which NOK 23 million were costs following the exit from a part of the DTT operation in Finland.

Accumulated for the first three quarters of 2008 other income and expenses include:

- Gains/Losses on disposal of fixed assets and operations mainly related to loss on disposal of fixed assets related to an ongoing dispute with IBM in Fixed Norway.
- Workforce reductions and loss contracts mainly related to workforce reductions in our operations in Norway and Sweden, and loss contracts in DTAC, Broadcast and New Business.

OPERATING PROFIT

- Operating profit for the first three quarters of 2008 was in line with 2007. In addition to the factors mentioned above, the operating profit was affected by lower depreciation and amortisations as a result of intangible assets in DTAC and in the Swedish operation, becoming fully depreciated at the end of 2007.

ASSOCIATED COMPANIES

(NOK in millions)	3rd quarter		First three quarters		Year
	2008	2007	2008	2007	2007
Telenor's share of ¹⁾					
Profit after taxes	1 873	1 049	5 232	2 239	5 523
Amortisation of Telenor's net excess values	(67)	(69)	(197)	(125)	(204)
Write-downs of Telenor's net excess values	(17)	-	(17)	-	-
Gains (losses) on disposal of ownership interests	-	(2)	1 619	45	1 143
Net result from associated companies	1 789	978	6 637	2 159	6 462

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 income statement contains only the line 'Net result from associated companies'.

- As of September 2008, Telenor's voting interest in VimpelCom in Russia was 29.9%, with a corresponding share of 33.6% of the common stock. The value of Telenor's share of the company, based on the quoted share price as of 30 September 2008, was NOK 41 billion. According to telecom analysts, VimpelCom had approximately 58 million mobile subscriptions at the end of September 2008.
- On 27 February 2008 Telenor completed the disposal of its 18.3% ownership interest in Golden Telecom. Telenor recognised a sales gain of NOK 1.6 billion after elimination of the gain related to Telenor's ownership in VimpelCom. The sales gain in 2007 was mainly related to disposal of the shares in ONE GmbH.
- As a consequence of Kyivstar having resumed its financial reporting to Telenor, Kyivstar is included as an associated company using the equity method from the fourth quarter of 2007. Therefore Kyivstar's figures for the third quarter 2007 and first three quarters of 2007 are not included in the table above. For further information, see page 2.
- Ukraine is experiencing increased impact of the global economic crisis and has during 2008 experienced the fastest inflation in Europe. At the end of the third quarter Kyivstar had a total cash balance of NOK 10.1 billion of which NOK 8.4 billion equivalents were in local currency. The cash has been deposited in a number of banks in Ukraine in order to diversify and hence reduce the overall credit risk.

FINANCIAL ITEMS

(NOK in millions)	3rd quarter		First three quarters		Year
	2008	2007	2008	2007	2007
Financial income	164	148	562	374	568
Financial expenses	(800)	(686)	(2 221)	(1 960)	(2 690)
Net foreign currency gains (losses)	(196)	(40)	(391)	(137)	(208)
Change in fair value of financial instruments	(380)	88	(289)	647	845
Net gains (losses) and write-downs	18	1	18	(1)	9
Net financial items	(1 194)	(489)	(2 321)	(1 077)	(1 476)
Gross interest expenses	(797)	(688)	(2 220)	(1 926)	(2 650)
Net interest expenses	(679)	(600)	(1 872)	(1 681)	(2 256)

- The change in fair value of financial instruments was primarily related to derivatives used for economic hedges that do not fulfil the requirements for hedge accounting.
- The net foreign currency losses were primarily related to liabilities in other currencies than functional currencies, of which the major effects are due to the depreciation of the Pakistani rupee.

TAXES

- The estimated effective tax rate for the third quarter and the first three quarters of 2008 is 24% and 22%, respectively, while the estimated annual effective tax rate for 2008 is 23%. The low tax percentages are mainly explained by associated companies, which are included in profit before taxes on an after tax basis, and the non-taxable gain from the sale of Golden Telecom in the first quarter of 2008. Adjusted for these items, the underlying tax rate is 33%.

INVESTMENTS

- Capital expenditure for the first three quarters of 2008 increased by NOK 783 million compared to last year mainly due to the investments in the Satellite Thor 5 of approximately NOK 1.1 billion, capitalisation of the 3G spectrum licence in DiGi of approximately NOK 1.1 billion and the acquisition of 2x20 MHz in the 2.6 GHz spectrum in Sweden for approximately NOK 450 million. This was partially offset by deferred investments in Grameenphone and Pakistan.

BALANCE SHEET

- Net interest-bearing liabilities decreased by NOK 2.3 billion to NOK 39.3 billion during the third quarter of 2008.
- Kyivstar has been accounted for as an associated company as from 29 December 2006 and was presented separately as Investment in Kyivstar in the balance sheet up until the fourth quarter of 2007, when the remaining injunction was lifted and Kyivstar resumed its financial reporting to Telenor. As from the fourth quarter of 2007, Kyivstar was no longer presented on a separate line, but included in the line Associated companies. Comparative figures for 2006 and 2007 have been restated accordingly.
- Translation differences increased equity in the third quarter of 2008 by NOK 4.1 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 2008, compared to 30 June 2008.

CASH FLOW

- The net cash inflow from operating activities in the first three quarters of 2008 was NOK 20.1 billion, in line with the first three quarters of 2007. Income taxes paid were NOK 3.4 billion, an increase of NOK 1.7 billion. The increased payment was mainly related to Telenor being in a tax paying position in Norway from the end of 2007. The positive change in working capital in the first three quarters of 2008 was partly related to revenue share accruals in DTAC. Dividend from VimpelCom of NOK 1.0 billion was received in the third quarter of 2008 compared to NOK 0.6 billion in 2007.
- The net cash outflow from investing activities in the first three quarters of 2008 was NOK 9.4 billion, a decrease of NOK 5.3 billion which was mainly related to the investment in VimpelCom of NOK 4.5 billion last year. Paid capex was NOK 1.9 billion lower than reported capex in the first three quarters of 2008, mainly due to no cash outflows related to DiGi's capitalisation of 3G spectrum and Broadcast's capitalisation of the satellite Thor 5. Paid and reported capex were around the same level for the same period in 2007.
- The net cash outflow from financing activities in the first three quarters of 2008 was NOK 9.4 billion, an increase of NOK 7.5 billion which is mainly explained by increased share buy-back and dividends paid, as well as decreased net inflows from debts.
- Cash and cash equivalents increased by NOK 1.5 billion during the first three quarters of 2008 to NOK 8.4 billion as of 30 September 2008.

OUTLOOK FOR 2008

Based upon the group structure and currency rates as of 30 September 2008, where Kyivstar is reported as an associated company:

- We expect a reported revenue growth of around 3%.
- The EBITDA margin before other income and expenses is expected to be above 31%.
- We expect capital expenditure as a proportion of revenues to be around 20%, mainly driven by high subscription growth within our 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.

DISCLAIMER

This report contains statements regarding the future in connection with Telenor's growth initiatives, profit figures, outlook, strategies and objectives. In particular, the section 'Outlook for 2008' contains forward-looking statements regarding the Group's expectations. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements.

Fornebu, 28 October 2008
The Board of Directors of Telenor ASA



Condensed interim financial information

CONSOLIDATED INCOME STATEMENT

Telenor Group

(NOK in millions except earnings per share)	3rd quarter		First three quarters		Year
	2008	2007	2008	2007	2007
Revenues	23 788	23 135	70 830	68 736	92 473
Costs of materials and traffic charges	6 509	6 500	19 141	19 276	25 965
Salaries and personnel costs	2 953	2 657	9 552	8 717	11 823
Other operating expenses	6 659	6 501	19 807	18 821	25 701
Other (income) and expenses	321	(180)	655	(88)	(273)
EBITDA	7 346	7 657	21 675	22 010	29 257
Depreciation and amortization	3 501	3 443	10 088	10 287	13 958
Write-downs	6	1	9	73	314
Operating profit	3 839	4 213	11 578	11 650	14 985
Associated companies	1 789	978	6 637	2 159	6 462
Net financial items	(1 194)	(489)	(2 321)	(1 077)	(1 476)
Profit before taxes	4 434	4 702	15 894	12 732	19 971
Taxes	(1 067)	(1 150)	(3 526)	(2 898)	(2 168)
Profit from continuing operations	3 367	3 552	12 368	9 834	17 803
Profit (loss) from discontinued operations	-	1 277	-	1 400	1 400
Net income	3 367	4 829	12 368	11 234	19 203
Net income attributable to:					
Non-controlling interests (Minority interests)	372	376	1 266	852	1 187
Equity holders of Telenor ASA	2 995	4 453	11 102	10 382	18 016
Earnings per share in NOK					
From continuing operations:					
Basic	1.80	1.89	6.64	5.35	9.89
Diluted	1.80	1.89	6.64	5.34	9.88
From total operations:					
Basic	1.80	2.65	6.64	6.18	10.72
Diluted	1.80	2.65	6.64	6.17	10.71

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





CONSOLIDATED BALANCE SHEET
Telenor Group

(NOK in millions)	30 September 2008	30 June 2008	30 September 2007	31 December 2007
Deferred tax assets	2 845	2 510	1 523	2 771
Goodwill	32 001	30 911	29 112	29 672
Intangible assets	27 579	26 059	25 031	26 476
Property, plant and equipment	52 201	50 360	47 651	48 974
Associated companies	24 405	20 513	17 270	20 425
Other non-current assets	2 953	2 413	2 846	3 040
Total non-current assets	141 984	132 766	123 433	131 358
Accounts receivable	8 769	8 879	9 780	10 996
Other current assets	10 372	11 585	10 794	11 115
Assets classified as held for sale	-	-	309	-
Other liquid assets	439	496	507	522
Cash and cash equivalents	8 373	6 994	8 228	6 841
Total current assets	27 953	27 954	29 618	29 474
Total assets	169 937	160 720	153 051	160 832
Equity attributable to equity holders of Telenor ASA	76 121	69 128	58 487	68 797
Non-controlling interests (Minority interests)	6 709	6 142	5 595	5 858
Total equity	82 830	75 270	64 082	74 655
Pension obligations	2 687	2 523	2 212	2 251
Deferred tax liabilities	4 258	3 688	3 666	3 744
Other provisions	1 152	1 117	1 008	1 079
Provisions	8 097	7 328	6 886	7 074
Non-current interest-bearing financial liabilities	35 633	38 517	39 592	39 725
Non-current non-interest-bearing liabilities	835	820	1 305	1 074
Total non-current liabilities	36 468	39 337	40 897	40 799
Current interest-bearing financial liabilities	12 507	10 575	9 430	7 524
Accounts payable	7 632	7 332	8 259	8 044
Current non-interest-bearing liabilities	22 403	20 878	23 497	22 736
Liabilities classified as held for sale	-	-	-	-
Total current liabilities	42 542	38 785	41 186	38 304
Total equity and liabilities	169 937	160 720	153 051	160 832
Equity ratio including non-controlling interests (%)	48.7	46.8	41.9	46.4
Net interest-bearing liabilities	39 274	41 647	40 246	39 881

Kyivstar is included in the line Associated companies in the balance sheet.

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

CONSOLIDATED CASH FLOW STATEMENT

Telenor Group

(NOK in millions)	3rd quarter		First three quarters		Year
	2008	2007	2008	2007	2007
Profit before taxes	4 435	4 736	15 894	12 998	20 237
Income taxes paid	(712)	(640)	(3 363)	(1 698)	(3 187)
Net (gains) losses from disposals, and change in fair value of financial items inc. write-downs	475	(337)	461	(905)	(1 359)
Depreciation, amortization and write-downs	3 507	3 505	10 097	10 421	14 333
Profit and loss from associated companies	(1 790)	(980)	(6 638)	(2 164)	(6 467)
Dividends received from associated companies	1 038	592	1 038	643	643
Currency (gains) losses not related to operating activities	310	6	347	73	168
Change in other operating working capital assets and liabilities	588	890	2 265	938	(672)
Net cash flows from operating activities	7 851	7 772	20 101	20 306	23 696
Purchases of property, plant and equipment (PPE) and intangible assets	(3 233)	(4 765)	(12 346)	(13 313)	(19 063)
Purchases of subsidiaries and associated companies, net of cash acquired	(161)	(789)	(1 292)	(5 549)	(5 942)
Sales of PPE, intangible assets and businesses, net of cash disposed	56	2 312	4 253	3 500	8 423
Sales and purchases of other investments	(30)	32	12	697	740
Net cash flows from investing activities	(3 368)	(3 210)	(9 373)	(14 665)	(15 842)
Proceeds from and repayments of interest-bearing liabilities	(1 669)	(2 411)	(673)	2 290	(594)
Proceeds from issuance of shares, including from non-controlling interests in subsidiaries	-	(22)	(23)	546	538
Share buy-back	(1 347)	-	(2 108)	(43)	(440)
Dividends paid and repayment of equity to non-controlling interests in subsidiaries	(363)	(250)	(928)	(514)	(919)
Dividends paid to shareholders of Telenor ASA	(262)	-	(5 678)	(4 201)	(4 201)
Net cash flows from financing activities	(3 641)	(2 683)	(9 410)	(1 922)	(5 616)
Effects of exchange rate changes on cash and cash equivalents	537	(402)	214	(413)	(319)
Net change in cash and cash equivalents	1 379	1 477	1 532	3 306	1 919
Cash and cash equivalents at the beginning of the period	6 994	6 751	6 841	4 922	4 922
Cash and cash equivalents at the end of the period	8 373	8 228	8 373	8 228	6 841
Of which cash and cash equivalents in discontinued operations at the end of the period	-	-	-	-	-
Cash and cash equivalents at the end of the period in continuing operations	8 373	8 228	8 373	8 228	6 841

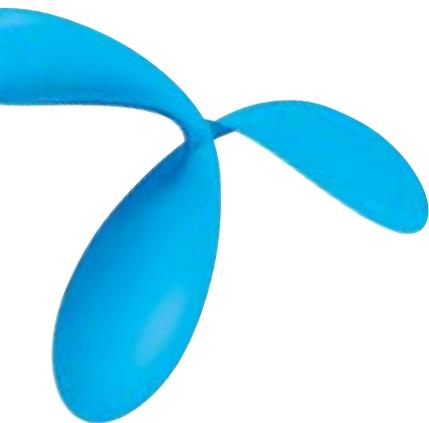
The statement includes discontinued operations prior to their disposal.

Cash Flows from discontinued operations

	3rd quarter		First three quarters		Year
	2008	2007	2008	2007	2007
Net cash flows from operating activities	-	42	-	192	192
Net cash flows from investing activities	-	(27)	-	(82)	(82)
Net cash flows from financing activities	-	4	-	-	-

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

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





CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Telenor Group

(NOK in millions)	Attributable to equity holders of Telenor ASA					Non-controlling interests	Total equity
	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences	Total		
Balance as of 31 December 2006	19 424	6 171	30 787	1 611	57 993	4 735	62 728
Translation differences	-	-	-	(5 026)	(5 026)	(145)	(5 171)
Business combinations and increased ownership interests in subsidiaries	-	7	-	-	7	-	7
Gain and loss on transactions with non-controlling interests	-	2 835	-	-	2 835	-	2 835
Available-for-sale investments:							
– Valuation gains (losses) taken to equity	-	25	-	-	25	(1)	24
– Transferred to profit or loss on sale	-	(8)	-	-	(8)	-	(8)
Cash flow hedges:							
– Valuation gains (losses) taken to equity	-	(4)	-	-	(4)	4	-
– Transferred to profit or loss on sale	-	-	-	-	-	-	-
Tax on items taken directly to or transferred from equity	-	(182)	-	(425)	(607)	(1)	(608)
Net income (loss) recognized directly in equity	-	2 673	-	(5 451)	(2 778)	(143)	(2 921)
Profit for the year 2007	-	-	18 016	-	18 016	1 187	19 203
Total recognized income and expense for the period	-	2 673	18 016	(5 451)	15 238	1 044	16 282
Transfer from share premium account	(5 000)	5 000	-	-	-	-	-
Dividends	-	(4 201)	-	-	(4 201)	(919)	(5 120)
Share buy back	(20)	(422)	-	-	(442)	(29)	(471)
Sale of shares, share issue, and share options to employees	2	38	-	-	40	14	54
Equity adjustments in associated companies	-	169	-	-	169	-	169
Transactions with non-controlling interests in subsidiaries	-	-	-	-	-	1 013	1 013
Balance as of 31 December 2007	14 406	9 428	48 803	(3 840)	68 797	5 858	74 655
Translation differences	-	-	-	2 690	2 690	38	2 728
Business combinations and increased ownership interests in subsidiaries	-	(4)	-	-	(4)	-	(4)
Gain and loss on transactions with non-controlling interests	-	472	-	-	472	-	472
Available-for-sale investments:							
– Valuation gains (losses) taken to equity	-	(44)	-	-	(44)	(1)	(45)
– Transferred to profit or loss on sale	-	-	-	-	-	-	-
Cash flow hedges:							
– Valuation gains (losses) taken to equity	-	(4)	-	-	(4)	(8)	(12)
– Transferred to profit or loss for the period	-	-	-	-	-	-	-
Tax on items taken directly to or transferred from equity	-	1	-	304	305	2	307
Net income (loss) recognized directly in equity	-	421	-	2 994	3 415	31	3 446
Profit for the period	-	-	11 102	-	11 102	1 266	12 368
Total recognized income and expenses for the period	-	421	11 102	2 994	14 517	1 297	15 814
Transfer from share premium account	(4 274)	4 274	-	-	-	-	-
Dividends	-	-	(5 678)	-	(5 678)	(1 027)	(6 705)
Share buy back	(117)	(1 991)	-	-	(2 108)	-	(2 108)
Sale of shares, share issue, and share options to employees	-	17	-	-	17	1	18
Equity adjustments in associated companies	-	576	-	-	576	-	576
Transactions with non-controlling interests in subsidiaries	-	-	-	-	-	580	580
Balance as of 30 September 2008	10 015	12 725	54 227	(846)	76 121	6 709	82 830

(NOK in millions)	Attributable to equity holders of Telenor ASA					Non-controlling interests	Total equity
	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences	Total		
Balance as of 31 December 2006	19 424	6 171	30 787	1 611	57 993	4 735	62 728
Translation differences	-	-	-	(5 701)	(5 701)	(295)	(5 996)
Business combinations and increased ownership interests in subsidiaries	-	7	-	-	7	-	7
Gain and loss on transactions with non-controlling interests	-	379	-	-	379	-	379
Available-for-sale investments	-	16	-	-	16	(1)	15
Cash flow hedges	-	(65)	-	-	(65)	(13)	(78)
Tax on items taken directly to or transferred from equity	-	29	-	(517)	(488)	4	(484)
Net income (loss) recognized directly in equity	-	366	-	(6 218)	(5 852)	(305)	(6 157)
Profit for the period	-	-	10 383	-	10 383	853	11 236
Total recognized income and expense for the period	-	366	10 383	(6 218)	4 531	548	5 079
Transfer from share premium account	(5 000)	5 000	-	-	-	-	-
Dividends	-	(4 201)	-	-	(4 201)	(562)	(4 763)
Share buy back	(24)	-	-	-	(24)	(29)	(53)
Sale of shares, share issue, and share options to employees	7	22	-	-	29	13	42
Equity adjustments in associated companies	-	159	-	-	159	-	159
Transactions with non-controlling interests in subsidiaries	-	-	-	-	-	890	890
Balance as of 30 September 2007	14 407	7 517	41 170	(4 607)	58 487	5 595	64 082

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

Notes to the consolidated interim financial statements

NOTE 1 – GENERAL ACCOUNTING PRINCIPLES

Telenor (the Group) consists of Telenor ASA (the Company) and its subsidiaries. Telenor ASA is a limited 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 interim condensed consolidated financial statements for the nine months ended 30 September 2008 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 Telenor's Annual Report 2007.

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's Annual Financial Statements for the year ended 31 December 2007. Compared to the Annual Financial Statement for 2007, the segment definition has been changed. Mobile Sweden and Fixed Sweden are presented as Sweden and Mobile Denmark and Fixed Denmark are presented as Denmark.

NOTE 2 – BUSINESS COMBINATIONS

IS Partner AS

On 9 January 2008 EDB Business Partner announced the acquisition of 100% of the issued share capital of IS Partner AS. The total consideration for the shares was NOK 1,350 million, which was paid in cash. The transaction was completed on 11 February 2008. The value was set based on fair value after negotiations between the parties. The Norwegian Competition Authority approved the transaction on 31 January 2008.

IS Partner AS offers outsourcing of IT-services to business customers.

The initial purchase price allocation, which is performed with assistance from third-party valuation experts, has been determined to be provisional pending the completion of the final valuation of the fair values of assets acquired. The carrying values at the date of acquisition are reported according to IFRS. The preliminary net assets acquired in the transaction, and the goodwill arising, are as follows:

(NOK in millions)	IS Partner AS carrying values at the acquisition date	Provisional fair value adjustments	Provisional fair values 30.09.2008	Provisional fair values annual report 2007
Customer contracts/customer base	-	149	149	163
Software	2	14	16	20
Property, plant & equipment	108	-	108	108
Other financial non-current assets	5	-	5	7
Trade and other receivables	310	153	463	463
Cash and cash equivalents	255	-	255	255
Deferred tax liabilities	13	(83)	(70)	(70)
Provisions and obligations	(252)	(20)	(272)	(211)
Trade and other payables	(292)	-	(292)	(433)
Net assets	149	213	362	302
Goodwill			988	982
Total consideration for the shares, satisfied by cash			1 350	1 284

Useful life of intangible asset at the date of acquisition was estimated on average to: Customer contracts/customer base 1–5 years and software 3 years. The goodwill arising on the acquisition of IS Partner AS is a residual value and is attributable to workforce and anticipated profitability of the operations. The provisional fair value adjustments included a group relief.

IS Partner contributed NOK 1,079 million in revenues and NOK 124 million to the Telenor Group's profit before taxes from total operations for the period between the date of consolidation and 30 September 2008. This does not include Telenor's interest expenses related to the financing of the acquisition.

NOTE 3 – IMPAIRMENT TESTING OF GOODWILL

Telenor Group has updated the assessment for indications of impairment of goodwill during 2008. In 2008 also the segment definition was changed compared to the Financial Statement for 2007. The goodwill testing is performed at the lowest level within Telenor which the goodwill is monitored for internal management purposes, but is not larger than an operating segment determined in accordance with IFRS 8 Operating Segments. Accordingly, the goodwill related to the fixed and mobile operations in Sweden and Denmark are tested for a group of cash generating units on segment level. The DTH and cable-TV operation in the Nordic countries are also tested for a group of cash generating units.

For detailed information on impairment testing of goodwill please refer to note 16 in Telenor's Annual Report for 2007.

NOTE 4 – SHARE BASED PAYMENT

On 7 May 2008, DiGi acquired 3G spectrum for a total consideration of 27.5 million new shares issued to Time dotCom. The transaction reduced Telenor's ownership interest in DiGi from 50.8% to 49.0%. Telenor continues to consolidate DiGi as a subsidiary and the transaction is accounted for as a transaction with non-controlling interests. The 3G spectrum is recognised to fair value at the date of transaction.

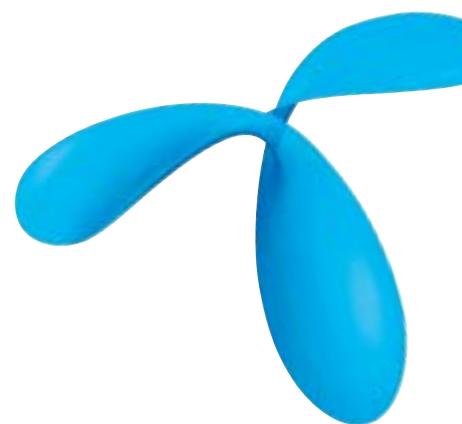
NOTE 5 – EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to 30 September 2008, there has been a significant depreciation of the Norwegian Krone compared to several foreign currencies. This depreciation does not impact the financial statements for the nine months ended 30 September 2008 but may impact future financial statements. The significant exposures to Telenor's future financial statements from the depreciation of the Norwegian Krone are mainly related to USD, EUR, THB, BDT, PKR and MYR. Telenor is monitoring the development on a continuing basis.

For detailed information regarding Telenor's financial risk factors, please refer to note 22 Financial Instruments and Risk Management in Telenor's Annual Report 2007.

Farimex Products have issued a press release related to a decision in a Siberian appeals court in Omsk purporting to arrest Telenor and Altimo's shares in VimpelCom. Using a ruling it obtained in Khanty-Mansiysk in August this year the Omsk court issued an arrest order on 27 October 2008, not only against Telenor's VimpelCom shares, but also against Altimo's VimpelCom shares. The Khanty-Mansiysk court held Telenor solely liable for VimpelCom's alleged late entry into the Ukrainian mobile market and ordered Telenor to pay VimpelCom USD 2.8 billion in damages. This ruling has been appealed by Telenor, the appeal is scheduled to be heard in the Omsk court on 18 November 2008.

On 28 October 2008, Telenor has agreed to subscribe for new shares in Unitech Wireless in India for a consideration equivalent to USD 1.1 billion. Subject to regulatory approvals, Telenor will hold a 60% controlling stake in Unitech Wireless. For more details, refer to press release and presentation on www.telenor.com/ir.



NOTE 6 – SEGMENT TABLE AND RECONCILIATION OF EBITDA
Third quarter

(NOK in millions)	Total revenues			of which internal		EBITDA ^{*)}			
	2008	2007	Growth	2008	2007	2008	Margin	2007	Margin
Mobile – Norway	3 249	3 398	(4.4%)	195	205	1 183	36.4%	1 222	36.0%
Fixed – Norway	3 620	3 740	(3.2%)	535	530	1 271	35.1%	1 417	37.9%
Sweden	2 370	2 473	(4.2%)	29	26	470	19.8%	537	21.7%
Denmark	1 872	1 866	0.3%	52	48	469	25.1%	465	24.9%
Kyivstar – Ukraine	3 839	3 427	12.0%	7	11	2 336	60.8%	1 981	57.8%
Pannon – Hungary	1 656	1 541	7.5%	12	12	719	43.4%	654	42.4%
DTAC – Thailand	2 655	2 981	(10.9%)	6	6	802	30.2%	828	27.8%
DiGi – Malaysia	1 963	1 849	6.2%	2	1	848	43.2%	870	47.1%
Grameenphone – Bangladesh	1 175	1 170	0.4%	1	-	571	48.6%	418	35.7%
Other mobile operations	1 966	1 945	1.1%	52	44	619	31.5%	561	28.8%
Broadcast	2 022	1 763	14.7%	25	35	456	22.6%	443	25.1%
Other operations	2 752	1 981	38.9%	603	593	(47)	nm	328	16.6%
Eliminations	(1 519)	(1 583)	-	(1 519)	(1 511)	(15)	-	(95)	-
Operating segments	27 620	26 551	4.0%	-	-	9 682	35.1%	9 629	36.3%
Kyivstar reclassified as associated company	3 832	3 416				2 336		1 972	
Group	23 788	23 135	2.8%			7 346	30.9%	7 657	33.1%

First three quarters

(NOK in millions)	Total revenues			of which internal		EBITDA ^{*)}			
	2008	2007	Growth	2008	2007	2008	Margin	2007	Margin
Mobile – Norway	9 577	9 925	(3.5%)	588	643	3 450	36.0%	3 704	37.3%
Fixed – Norway	10 907	11 397	(4.3%)	1 601	1 570	3 732	34.2%	4 225	37.1%
Sweden	7 122	7 516	(5.2%)	84	69	1 429	20.1%	1 474	19.6%
Denmark	5 552	5 203	6.7%	134	126	1 283	23.1%	1 389	26.7%
Kyivstar – Ukraine	10 281	9 399	9.4%	21	28	6 191	60.2%	5 573	59.3%
Pannon – Hungary	4 518	4 579	(1.3%)	23	23	1 913	42.3%	1 868	40.8%
DTAC – Thailand	8 759	8 940	(2.0%)	38	34	3 035	34.7%	2 564	28.7%
DiGi – Malaysia	5 773	5 496	5.0%	5	4	2 643	45.8%	2 622	47.7%
Grameenphone – Bangladesh	3 422	3 477	(1.6%)	1	-	1 420	41.5%	1 571	45.2%
Other mobile operations	5 821	5 208	11.8%	106	70	1 759	30.2%	1 307	25.1%
Broadcast	6 010	5 239	14.7%	72	114	1 169	19.5%	1 280	24.4%
Other operations	7 817	6 526	19.8%	1 796	1 830	(139)	nm	291	4.5%
Eliminations	(4 469)	(4 798)	-	(4 469)	(4 511)	(19)	-	(308)	-
Operating segments	81 090	78 107	3.8%	-	-	27 866	34.4%	27 560	35.3%
Kyivstar reclassified as associated company	10 260	9 371				6 191		5 550	
Group	70 830	68 736	3.0%			21 675	30.6%	22 010	32.0%

^{*)} The segment profit is EBITDA

Reconciliation

(NOK in millions)	3rd quarter		First three quarters		Year
	2008	2007	2008	2007	2007
Net income	3 367	4 829	12 368	11 234	19 203
Profit (loss) from discontinued operations	-	1 277	-	1 400	1 400
Profit from continuing operations	3 367	3 552	12 368	9 834	17 803
Taxes	(1 067)	(1 150)	(3 526)	(2 898)	(2 168)
Profit before taxes	4 434	4 702	15 894	12 732	19 971
Net financial items	(1 194)	(489)	(2 321)	(1 077)	(1 476)
Associated companies	1 789	978	6 637	2 159	6 462
Depreciation and amortisation	3 501	3 443	10 088	10 287	13 958
Write-downs	6	1	9	73	314
EBITDA	7 346	7 657	21 675	22 010	29 257
Kyivstar reclassified as associated company	2 336	1 972	6 191	5 550	7 302
EBITDA Operating segments	9 682	9 629	27 866	27 560	36 559

Definitions

Operating profit (loss)			
2008	Margin	2007	Margin
984	30.3%	1 042	30.7%
790	21.8%	900	24.1%
(89)	(3.8%)	(6)	(0.2%)
116	6.2%	176	9.4%
1 895	49.4%	1 503	43.9%
535	32.3%	480	31.1%
489	18.4%	308	10.3%
587	29.9%	609	32.9%
257	21.9%	189	16.2%
179	9.1%	181	9.3%
271	13.4%	292	16.6%
(280)	nm	120	6.1%
-	-	(87)	-
5 734	20.8%	5 707	21.5%
1 895		1 494	
3 839	16.1%	4 213	18.2%

Operating profit (loss)				Total assets as of	
2008	Margin	2007	Margin	2008	2007
2 860	29.9%	3 170	31.9%	8 277	7 729
2 257	20.7%	2 679	23.5%	18 330	17 628
(114)	(1.6%)	(205)	(2.7%)	29 719	28 510
339	6.1%	493	9.5%	12 192	10 929
4 908	47.7%	4 199	44.7%	20 887	14 843
1 392	30.8%	1 303	28.5%	10 914	9 494
2 130	24.3%	1 021	11.4%	19 916	20 529
1 854	32.1%	1 786	32.5%	8 253	7 039
586	17.1%	947	27.2%	7 949	7 058
450	7.7%	240	4.6%	38 984	37 362
612	10.2%	824	15.7%	14 796	14 142
(810)	nm	(332)	nm	40 876	38 890
22	-	(299)	-	(49 550)	(50 420)
16 486	20.3%	15 826	20.3%	181 543	163 733
4 908		4 176		11 606	10 682
11 578	16.3%	11 650	16.9%	169 937	153 051

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

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.

Interconnect

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

Other mobile

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

Non-mobile

– 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 from company's own subscriptions

– consist of 'Subscription and traffic' and 'Interconnect 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

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

Wholesale

– 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

Canal Digital Group

– consists of revenues from our DTH subscribers, cable TV subscribers, households in SMATV networks and DTT subscribers in the Nordic region.

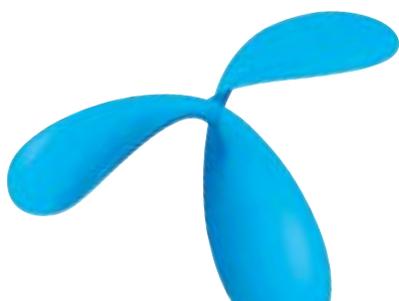
Transmission & Encryption

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

Other

– consist of revenues not directly related to the Canal Digital Group and Transmission & Encryption.

Additional information is available at: www.telenor.com/ir





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