



Q4/ 2014

Interim report

January – December 2014

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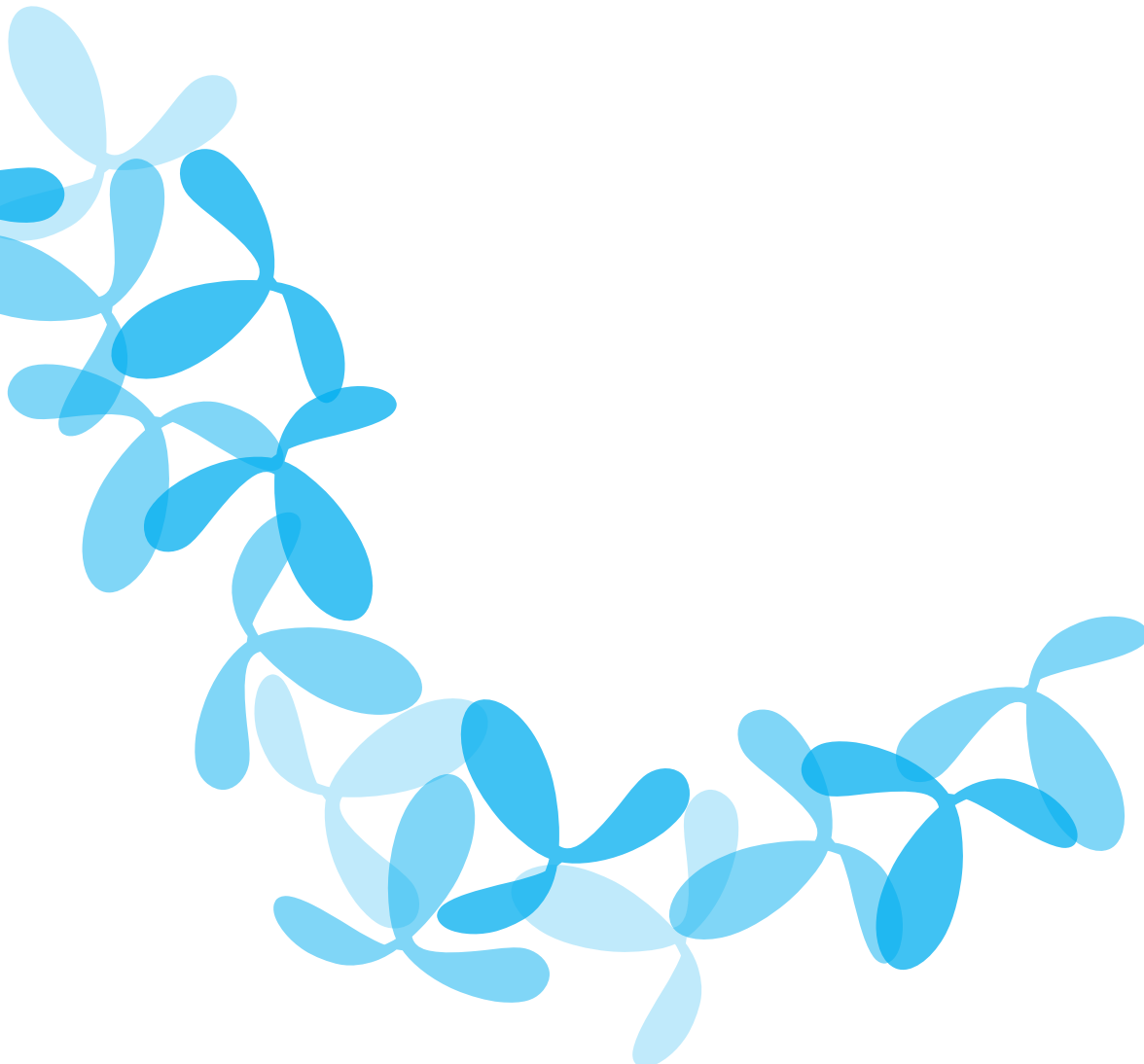
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2014 delivered good results, solid growth ahead

Highlights fourth quarter 2014

- Organic revenue growth of 5.3% ¹⁾
- EBITDA margin of 31%
- Operating cash flow of NOK 3.5 billion ²⁾
- Earnings per share of NOK 1.18

Highlights full year 2014

- Organic revenue growth of 3.4% ¹⁾
- EBITDA margin of 35%
- Operating cash flow of NOK 20.8 billion ²⁾
- Earnings per share of NOK 6.88

Jon Fredrik Baksaas
Jon Fredrik Baksaas
President & CEO

“Our performance in 2014 confirms Telenor Group’s position as one of Europe’s fastest growing telcos, with organic revenue growth of 5% during the final quarter and 3% for the full year. We reported revenues and earnings in line with our guidance for the year. During 2014, we added 20 million new mobile subscribers, of which 7 million in the fourth quarter alone.

Demand for smartphones is higher than ever across our markets. We sold more than 1.5 million smartphones during the final quarter, stimulating mobile data growth. At the same time, margins were negatively impacted due to increased handset subsidy costs. In Norway, the rising number of 4G enabled handsets together with our investments in network expansion resulted in strong mobile service revenue growth of 10 percent. For the first time ever there are more 4G phones in Telenor’s Norwegian network than 3G phones and our customers more than doubled their data use in the past year.

2014 was a challenging year for us in Thailand, with intense competition continuing during the fourth quarter. However, dtac has taken corrective measures to strengthen its market position and return to growth. We are seeing early signs of improvement following the introduction of a cluster-based operating model, attractive market offerings and a network improvement programme. By expanding its 3G and 4G network, dtac aims to deliver the best internet network in Bangkok and 30 major cities this year.

In just one year, the people in main cities in Myanmar have leapfrogged from very limited connectivity to broadly available mobile services. Telenor

Group is able to contribute to the rapid development of a nation by providing essential infrastructure that will drive connectivity and new opportunities for Myanmar. Three months after service launch, we ended the year with 3.4 million subscribers. We will steadily introduce products and services in Myanmar that will include everyone in the country’s digital future.

In Europe, we launched online mobile banking services in Serbia during the year and agreed to merge our Danish mobile operation with TeliaSonera. In Bulgaria, where the company was recently rebranded, the network swap is progressing ahead of plan. In Sweden, the integration of Tele2’s fibre and cable business is on track.

Looking ahead, we will continue to focus on the industry transition from voice to data, which is resulting in significant changes to our ecosystem. We are well positioned to monetize on this data surge, deliver healthy growth and profitability. The financial outlook for 2015 is mid-single digit organic revenue growth and an EBITDA margin in the range of 33-35%. Capex to sales ratio is expected to be in line with 2014, excluding the broadcasting satellite.

Based on the performance during the year, Telenor plans to pay a total dividend of NOK 7.30 per share for 2014, of which NOK 3.80 shall be paid in June and NOK 3.50 in November.”

Key figures Telenor Group ³⁾

(NOK in millions except earnings per share)	4th quarter		Year	
	2014	2013	2014	2013
Revenues	29 101	26 333	106 540	99 138
EBITDA before other income and expenses	9 091	8 738	37 681	34 768
EBITDA before other income and expenses/Revenues (%)	31.2	33.2	35.4	35.1
Adjusted operating profit ⁴⁾	5 087	5 402	22 926	21 803
Adjusted operating profit/Revenues (%)	17.5	20.5	21.5	22.0
Profit after taxes and non-controlling interests	1 765	(2 019)	10 346	8 748
Earnings per share from total operations, basic, in NOK	1.18	(1.34)	6.88	5.74
Capex	6 602	4 994	22 527	16 610
Capex excl. licences and spectrum	5 636	4 468	16 870	14 224
Capex excl. licences and spectrum/Revenues (%)	19.4	17.0	15.8	14.3
Operating cash flow ²⁾	3 455	4 271	20 811	20 544
Net interest-bearing liabilities ⁵⁾			47 126	39 395

Please refer to page 10 for the full outlook for 2015, and page 22 for definitions.

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

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

³⁾ Telenor Denmark is classified as discontinued operation. Historical Group income statement is restated accordingly.

⁴⁾ Adjusted operating profit is defined as Operating profit less other income and expenses and impairment losses.

⁵⁾ Net interest-bearing liabilities are defined as net interest-bearing debt excluding net present value of licence liabilities.

Interim report

Telenor's operations

The comments below are related to Telenor's development in the fourth quarter of 2014 compared to the fourth quarter of 2013, unless otherwise stated. Telenor Denmark is now classified as a discontinued operation, see note 2 for further information. All comments on EBITDA are made on development in EBITDA before other income and expenses (other items). Please refer to page 8 for 'Specification of other income and expenses'. Additional information is available at: www.telenor.com/ir



Norway

(NOK in millions)	4th quarter		Year	
	2014	2013	2014	2013
Revenues mobile operation				
Subscription and traffic	2 779	2 514	10 947	10 112
Interconnect revenues	206	202	809	777
Other mobile revenues	361	329	1 387	1 315
Non-mobile revenues	386	392	1 282	1 103
Total revenues mobile operation	3 731	3 436	14 426	13 308
Revenues fixed operation				
Telephony	590	663	2 445	2 782
Internet and TV	1 359	1 319	5 357	5 060
Data services	118	120	464	463
Other fixed revenues	460	453	1 653	1 504
Total retail revenues	2 527	2 556	9 920	9 810
Wholesale revenues	472	487	1 840	1 953
Total revenues fixed operation	2 999	3 042	11 759	11 763
Total revenues	6 730	6 479	26 186	25 071

EBITDA before other items	2 747	2 545	11 255	10 758
Operating profit	1 807	1 686	7 430	7 423

EBITDA before other items/ Total revenues (%)	40,8	39,3	43,0	42,9
Capex	1 182	1 617	4 210	4 863
Investments in businesses	(2)	74	9	101

Mobile ARPU - monthly (NOK)	309	282	305	285
Fixed Telephony ARPU	276	272	272	271
Fixed Internet ARPU	347	336	342	327
TV ARPU	287	279	280	256

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

Mobile	3	15	3 218	3 216
Fixed telephony	(25)	(27)	701	800
Fixed Internet	(4)	2	855	864
TV	1	2	531	527

- The number of mobile subscriptions increased by 3,000 during the quarter. At the end of the quarter, the subscription base was stable compared to last year. 69% of the subscribers are now active data users.
- Mobile ARPU increased by 10% or NOK 27 caused by strong growth in data usage and customers choosing tariffs with larger data volumes. The median data usage more than doubled compared to fourth quarter last year, following expansion of the 4G network and increasing 4G handset penetration.
- Mobile service revenues increased by 10% from increased ARPU.
- Revenues from Internet and TV increased by 3%, mainly due to higher ARPU from upselling to higher broadband speeds and higher broadband penetration in the cable TV base. This growth was offset by reductions in fixed telephony and wholesale revenues, resulting in a total fixed revenues decline of 1%.
- Total reported revenue growth was 4%.
- Underlying EBITDA increased by 5%. The EBITDA margin increased by 2 percentage points as the growth in mobile service revenues offset a declining contribution from fixed telephony and increased operating expenditure related to commissions, transformation projects and fault corrections.
- This quarter, capital expenditure was driven by a continued 4G network rollout, new fibre connections and restructuring initiatives within the fixed business. 340 new 4G base stations were added in the quarter, increasing the 4G population coverage to 84%. During the quarter, Telenor added 6,000 fibre customers.

Sweden

(NOK in millions)	4th quarter		Year	
	2014	2013	2014	2013
Revenues mobile operation				
Subscription and traffic	1 424	1 407	5 636	5 388
Interconnect revenues	133	130	515	541
Other mobile revenues	95	98	332	323
Non-mobile revenues	672	676	2 112	2 064
Total revenues mobile operation	2 325	2 311	8 596	8 316
Revenues fixed operation	788	685	3 132	2 657
Total revenues	3 114	2 996	11 728	10 973

EBITDA before other items	785	825	3 489	3 266
Operating profit (loss)	341	434	1 900	1 824

EBITDA before other items/ Total revenues (%)	25.2	27.5	29.7	29.8
Capex	516	503	1 507	1 361
Investments in businesses	4	6	754	10

Mobile ARPU - monthly (NOK)	208	209	205	205
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No. of subscriptions - Change in quarter/Total (in thousands):

Mobile	19	51	2 509	2 484
Fixed telephony	(11)	(13)	311	277
Fixed Internet	(12)	1	642	530
TV	3	(2)	520	284

Exchange rate			0.9184	0.9022
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- The number of mobile subscriptions increased by 19,000 during the quarter, driven by growth in contract subscriptions. The subscription base was 1% higher than at the end of fourth quarter last year. 74% of the subscribers are active data users.
- The number of fixed internet subscriptions declined by 12,000 in the quarter, driven by a continued decline in DSL subscriptions while high speed internet subscriptions remained stable.
- Mobile ARPU in local currency was stable and mobile revenues in local currency increased by 1%.
- Fixed revenues in local currency increased by 16% as a consequence of the acquisition of Tele2's internet and cable business in January 2014. Excluding the SEK 149 million contribution from the acquired business, fixed revenues decreased by 5%, mainly due to the negative market trends within DSL and fixed telephony.
- EBITDA before other items in local currency decreased by 4%. Adjusted for the acquisition of the fixed business, the EBITDA margin decreased by 1 percentage point.
- Reported operating profit was negatively impacted by costs related to scrapping of an IT project of NOK 60 million.
- Capital expenditure in the quarter was mainly related to network investments and integration of acquired business.

Hungary

(NOK in millions)	4th quarter		Year	
	2014	2013	2014	2013
Revenues				
Subscription and traffic	849	840	3 221	3 177
Interconnect revenues	151	138	562	506
Other mobile revenues	18	22	81	85
Non-mobile revenues	131	92	375	254
Total revenues	1 150	1 092	4 239	4 022

EBITDA before other items	279	307	1 375	1 393
Operating profit	129	193	851	968

EBITDA before other items/ Total revenues (%)	24.2	28.1	32.4	34.6
Capex	1 022	192	1 227	933

No. of subscriptions - Change in quarter/Total (in thousands):	22	-	3 255	3 270
ARPU - monthly (NOK)	102	100	97	94
Exchange rate (HUF)			0.0271	0.0263

- The number of subscriptions increased by 22,000 in the quarter following strong sales in the consumer segment. The subscription base was 15,000 lower than at the end of last year. 39% of the subscribers are active data users.
- ARPU in local currency increased by 3% driven mainly by increased interconnect revenues from higher incoming voice traffic.
- Revenues in local currency increased by 5% as a result of increased ARPU and higher handset sales.
- The EBITDA in local currency decreased by 10% mainly due to increased handset and sales cost together with cost related to business support systems.
- On 29 September Telenor secured spectrum in the 800 MHz, 900 MHz and 2600 MHz frequency bands. The cost of NOK 860 million was recorded in fourth quarter 2014. The remaining capital expenditure was mainly related to 4G network roll-out. See Other units for additional information on investments in common business support systems.

Bulgaria

(NOK in millions)	4th quarter		Year	
	2014	2013	2014	2013
Revenues				
Subscription and traffic	562	519	2 142	862
Interconnect revenues	38	34	142	56
Other mobile revenues	6	6	30	17
Non-mobile revenues	128	137	410	216
Total revenues	734	696	2 723	1 151
EBITDA before other items				
Operating profit	253	208	1 041	373
	38	(134)	(406)	(81)
EBITDA before other items/ Total revenues (%)				
	34.4	29.9	38.2	32.4
Capex				
	373	97	681	121
No. of subscriptions - Change in quarter/Total (in thousands):				
	(146)	51	3 901	3 995
ARPU - monthly (NOK)				
	50	46	48	47
Exchange rate (BGN)				
			4.2711	4.1524

Telenor Bulgaria was consolidated from 1 August 2013. The preceding table shows figures from the time of consolidation and comments below refer to development compared to same period last year:

- The Bulgarian operation was branded Telenor Bulgaria in November. Simultaneously, a new and simplified tariff portfolio was launched.
- The number of subscriptions decreased by 146,000 in the quarter mainly driven by high churn in both the prepaid and contract segment following intense competition throughout the quarter. At the end of the quarter, the subscription base was 2% lower than at the end of fourth quarter last year. 27% of the subscriptions are active data users.
- Reported ARPU in local currency increased by 4%. Excluding a one-off recognition of old prepaid vouchers, ARPU was in line with fourth quarter last year.
- Revenues increased by 1% driven by higher ARPU, partly offset by reduced handset sales and lower subscription base. Excluding one-offs, revenues decreased by 2%.
- The EBITDA margin increased by 5 percentage points compared to fourth quarter last year, mainly from lower handset sales, lower bad debt and other operating expenses.
- The network renovation is progressing according to plan, explaining high capital expenditure in the fourth quarter. At the end of the fourth quarter, almost 80% of the network had been swapped. The network renovation is expected to be completed during the first half of 2015.

Montenegro & Serbia

(NOK in millions)	4th quarter		Year	
	2014	2013	2014	2013
Revenues				
Subscription and traffic	593	603	2 389	2 364
Interconnect revenues	194	193	699	727
Other mobile revenues	18	17	114	105
Non-mobile revenues	78	58	248	197
Total revenues	883	870	3 450	3 393
EBITDA before other items				
Operating profit	287	311	1 293	1 355
	187	216	913	1 014
EBITDA before other items/ Total revenues (%)				
	32.5	35.8	37.5	39.9
Capex				
	120	79	322	242
No. of subscriptions - Change in quarter/Total (in thousands):				
	(70)	(136)	3 585	3 545
ARPU - monthly (NOK)				
	72	73	73	72
Exchange rate (RSD)				
			0.0712	0.0690
Exchange rate (EUR)				
			8.3534	7.8087

- The number of subscriptions decreased by 70,000 during the quarter and was mainly driven by seasonal churn of prepaid subscriptions. The subscription base increased by 1% compared to the same period last year. 42% of the subscribers are active data users.
- In September, Telenor launched mobile banking services in Serbia, and as of 31 December this business had 32,000 customers.
- ARPU in local currency was unchanged compared to last year. Adjusted for the changed interconnect rates, ARPU decreased by 1%.
- Revenues in local currency increased by 2%. Excluding the interconnect changes and one time effects last year, revenues mainly remained at the same level as decreased ARPU was offset by higher subscription base.
- The EBITDA margin decreased by 3 percentage points compared to last year and was driven by start-up costs related to the mobile banking services.
- Capital expenditure was mainly related to network rollout in addition to investments in the mobile banking services.
- The interconnect rates in Serbia were reduced from RSD 4.8 to RSD 3.95 on 1 January 2014 and in Montenegro from EUR 0.04 to EUR 0.022 effective on 1 March 2014 with a further reduction to EUR 0.019 on 1 November 2014.
- SMS interconnect was introduced in Serbia from 1 September 2014 between Telenor and mt:s with RSD 2 per SMS.

dtac - Thailand

(NOK in millions)	4th quarter		Year	
	2014	2013	2014	2013
Revenues				
Subscription and traffic	3 395	3 200	12 716	12 751
Interconnect revenues	475	462	1 720	2 494
Other mobile revenues	52	60	181	276
Non-mobile revenues	1 344	1 011	2 945	2 591
Total revenues	5 265	4 732	17 562	18 112
EBITDA before other items				
Operating profit	1 476	1 521	5 993	5 763
	598	891	3 124	3 442
EBITDA before other items/ Total revenues (%)				
	28.0	32.1	34.1	31.8
Capex				
	904	1 208	2 721	2 776
No. of subscriptions - Change in quarter/Total (in thousands):				
	228	471	28 008	27 942
ARPU - monthly (NOK)				
	46	44	43	47
Exchange rate (THB)				
			0.1940	0.1912

- The intense competition in Thailand has continued into fourth quarter. In this quarter, dtac launched several initiatives in order to improve its market position. 3G and 4G network experience in Bangkok and major provinces has been improved. The network expansion will continue at high speed through 2015 aiming at securing the best network experience for the most popular services. New data-centric tariffs have been launched in the contract segment aiming to support a healthier transition from voice to data. A cluster-based operating model has been launched to secure optimal execution on network expansion, distribution and commercial offerings. The well-proven model incorporates use of local business insight enabling dtac to address local market characteristics and trends.
- After two quarters of negative subscription development, the number of subscriptions increased by 228,000 during the fourth quarter, following positive development both in the prepaid and contract segment. The subscriber base was stable compared to end of 2013. 50% of the subscribers are active data users.
- Reported ARPU in local currency decreased by 4% driven by decline in voice revenues partly offset by increased revenues from data usage and higher contract share.
- Total revenues in local currency increased by 2% as lower ARPU was more than offset by increased handset sales. Subscription and traffic revenues in local currency decreased by 4%.
- Adjusted for a one-time positive correction last year, the EBITDA margin declined by 2 percentage points. Lower regulatory costs impacted the EBITDA margin positively by 6 percentage points but were more than offset by increased share of handset sales involving subsidies and higher marketing expenditures to secure market position.
- The decrease in EBITDA margin from third quarter is mainly driven by the increased share of handset sales.
- Capital expenditure in the fourth quarter was mainly related to the network program.
- The number of subscriptions increased by 76,000 this quarter. At the end of this period, the subscription base was 4% higher than at the same time last year. 56% of the subscribers are now active data users.
- Digi's strong performance in 2014 is a result of improved network capabilities, solid distribution, and data tariffs designed to stimulate internet adoption and demand. Smartphone penetration reached 50% of the customer base, aided by high demand for iPhone 6 and affordable smartphones bundled with prepaid SIM packages.
- ARPU in local currency remained stable as improved data ARPU was offset by a decline in voice and interconnect.
- Total revenues in local currency increased by 4% due to a larger subscription base and increased handset sales. Subscription and traffic revenues in local currency increased by 4%.
- The EBITDA margin decreased by 2 percentage points due to higher personnel costs as well as site rollout. EBITDA in local currency remained stable.
- Capital expenditure was mainly related to network expansion, IT and backhaul transmission.

Digi - Malaysia

(NOK in millions)	4th quarter		Year	
	2014	2013	2014	2013
Revenues				
Subscription and traffic	3 117	2 769	11 434	10 589
Interconnect revenues	176	181	654	729
Other mobile revenues	29	43	142	143
Non-mobile revenues	345	280	1 282	1 095
Total revenues	3 667	3 272	13 513	12 556
EBITDA before other items	1 640	1 512	6 086	5 651
Operating profit	1 360	1 276	5 125	4 008
EBITDA before other items/ Total revenues (%)	44.7	46.2	45.0	45.0
Capex	479	247	1 741	1 383
No. of subscriptions - Change in quarter/Total (in thousands):	76	168	11 421	10 995
ARPU - monthly (NOK)	97	90	91	89
Exchange rate (MYR)			1.9253	1.8647

Grameenphone - Bangladesh

(NOK in millions)	4th quarter		Year	
	2014	2013	2014	2013
Revenues				
Subscription and traffic	1 951	1 611	7 104	6 212
Interconnect revenues	230	194	865	751
Other mobile revenues	12	6	36	26
Non-mobile revenues	113	84	361	305
Total revenues	2 306	1 895	8 367	7 294
EBITDA before other items	1 161	970	4 434	3 709
Operating profit	716	608	3 000	2 562
EBITDA before other items/ Total revenues (%)	50.3	51.2	53.0	50.9
Capex	500	487	1 232	2 256
No. of subscriptions - Change in quarter/Total (in thousands):	1 213	1 067	51 504	47 110
ARPU - monthly (NOK)	14	13	13	13
Exchange rate (BDT)			0.0813	0.0752

- The number of subscriptions increased by 1.2 million during the quarter. At the end of the quarter, the subscription base was 9% higher than the same quarter last year. 21% of the subscribers are now active data users.
- ARPU in local currency decreased by 3% due to migration to lower priced offerings and the continued dilution effect from subscription growth in lower revenue generating segments, partly offset by growth in data services and content.
- Total revenues in local currency increased by 7% mainly due to continued growth in the subscription base.
- The EBITDA margin decreased by 1 percentage point due to higher marketing spending and subscriber acquisition cost. Adjusted for a non-recurring item, the EBITDA margin in fourth quarter was 52%. EBITDA in local currency increased by 4%.
- Capital expenditure was prioritised towards expanding 3G network coverage and capacity. At the end of the year, the 3G population coverage to 50%.

Pakistan

(NOK in millions)	4th quarter		Year	
	2014	2013	2014	2013
Revenues				
Subscription and traffic	1 224	986	4 532	4 025
Interconnect revenues	110	110	419	487
Other mobile revenues	8	(3)	29	14
Non-mobile revenues	395	247	1 234	879
Total revenues	1 737	1 340	6 214	5 406
EBITDA before other items	635	470	2 394	2 052
Operating profit (loss)	402	323	1 578	822
EBITDA before other items/ Total revenues (%)	36.5	35.1	38.5	38.0
Capex	641	155	2 301	1 279

No. of subscriptions – Change in quarter/Total (in thousands):	126	1 061	36 503	33 405
ARPU – monthly (NOK)	12	11	12	12
Exchange rate (PKR)			0.0624	0.0579

- The number of subscriptions increased by 126,000 during the quarter and at the end of the quarter, the subscription base was 9% higher than the same quarter last year. 25% of the subscribers are now active data users.
- ARPU in local currency decreased by 8%, primarily due to the continued on-net competition. This was partly offset by revenues from data and voice bundles and growth in recharges and emergency loans.
- Total revenues in local currency increased by 9%, mainly due to growth in the subscription base, increased revenues from incoming international traffic and financial services.
- During 2014, Easypaisa effectuated 113 million money transfers with a total transfer value of USD 3 billion, which represents a growth of 42% from 2013. At the end of 2014, Easypaisa had close to 13 million customers.
- Financial services now constitute 9% of Telenor Pakistan's total revenues.
- The EBITDA margin increased by 1 percentage point mainly due to higher top line growth and reduction in energy and operations and maintenance costs, partly offset by introduction of SIM issuance tax with effect from July. EBITDA in local currency increased by 13%.
- Capital expenditure increased from further expansion of 3G network. 1,700 sites were added in the quarter, increasing the 3G coverage to 66 cities by year end.
- From mid-January 2015, all operators are required to complete a biometric re-verification of the total customer base within 90 days, posing a significant challenge to the whole industry.

India

(NOK in millions)	4th quarter		Year	
	2014	2013	2014	2013
Revenues	1 187	836	4 200	3 001
EBITDA before other items	(97)	(107)	(422)	(585)
Operating profit (loss)	(285)	(132)	882	(576)
Capex	130	84	1 374	214
No. of subscriptions – Change in quarter/Total (in thousands):	2 303	2 004	36 665	28 004
ARPU – monthly (NOK)	11	10	11	10
Exchange rate (INR)			0.1032	0.1004

*) Please note that the definition for active subscriptions in the Indian operation is more conservative than the Group definition on page 22, due to high churn in the Indian market. Subscriptions are counted as active if there has been activity during the last 30 days.

- Telenor's Indian operation added 2.3 million subscriptions during the fourth quarter. At the end of the quarter, the subscription base was 31% higher than the same quarter last year. 22% of the subscribers are now active data users.
- ARPU in local currency fell by 4% to INR 101 in the fourth quarter compared to same quarter last year. The ARPU decline was driven by lower voice consumption, intensified price competition as well as lower ARPU from the extended coverage area, partly compensated by increased data usage.
- The growth in subscriptions and the decline in ARPU resulted in a revenue growth in local currency of 26% compared to same quarter last year.
- EBITDA before other items in local currency improved from same quarter last year as a result of the revenue growth, however softened somewhat from the impact on operating expenditures from the additional 5,000 network sites. By year-end, the redeployment of 5,000 base stations was completed. Since the beginning of 2014 this programme has increased the population coverage in the six circles from 42% to approximately 50%.

Myanmar

(NOK in millions)	4th quarter		Year	
	2014	2013	2014	2013
Revenues	287	-	290	-
EBITDA before other items	(248)	(48)	(508)	(48)
Operating profit (loss)	(336)	(48)	(605)	(48)
Capex	598	7	4 281	7
No. of subscriptions – Change in quarter/Total (in thousands):	3 125	-	3 406	-
ARPU – monthly (NOK)	42	-	42	-
Exchange rate (MMK)			0.0064	0.0062

- Following the commercial launch on 27 September Telenor Myanmar experienced a very successful full first quarter. By the end of the fourth quarter, a total of 3.4 million subscriptions were recorded.
- ARPU for the fourth quarter was NOK 42, driven by early adopters with high usage of both voice and data. 16% of revenues relates to data traffic.
- The operating expenditure and capital expenditure in the quarter reflects the build-up phase of the company and the improved traction in rolling out additional sites to cater for the subscription and traffic growth.
- At the end of 2014, Telenor Myanmar had launched services in the three biggest cities Yangon, Mandalay and Nay Pyi Taw, with a total of 1,054 sites on air.

Broadcast

(NOK in millions)	4th quarter		Year	
	2014	2013	2014	2013
Revenues				
Canal Digital DTH	1 135	1 151	4 494	4 536
Satellite Broadcasting	244	247	959	971
Norkring	287	282	1 156	1 057
Conax	0	190	166	627
Other/Eliminations	(115)	(93)	(467)	(457)
Total revenues	1 550	1 778	6 309	6 735

EBITDA before other items

Canal Digital DTH	181	151	728	731
Satellite Broadcasting	165	172	650	661
Norkring	122	131	559	525
Conax	0	77	49	243
Other/Eliminations	(9)	(8)	(36)	(52)
Total EBITDA before other items	458	523	1 951	2 109

Operating profit

Canal Digital DTH	151	138	611	673
Satellite Broadcasting	107	114	421	422
Norkring	63	61	309	268
Conax	0	65	41	203
Other/Eliminations	(10)	(20)	1 174	(73)
Total operating profit	310	358	2 556	1 493

EBITDA before other items/ Total revenues (%)	29,5	29,4	30,9	31,3
Capex	79	153	407	572

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

DTH TV	(1)	(2)	912	929
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- Adjusted for the divestment of Conax, total revenues were slightly behind fourth quarter last year. EBITDA increased 3%, while the EBITDA margin increased by 1 percentage point.
- Revenues in Canal Digital DTH decreased by 1% due to lower subscriber base.
- The EBITDA margin in Canal Digital DTH was 16%, 3 percentage points higher than last year mainly due to reduced content costs.
- Revenues in Satellite Broadcasting were on level with last year. The EBITDA margin decreased by 2 percentage points due to higher operating costs.
- Revenues in Norkring increased by 2% due to digital audio broadcasting (DAB) roll-out. EBITDA margin decreased by 4 percentage points due to higher repair cost related to challenging weather conditions.
- Capital expenditure decreased primarily due to lower DAB network investments in Norkring, lower investments in satellite ground equipment and divestment of Conax.

Other units

(NOK in millions)	4th quarter		Year	
	2014	2013	2014	2013
Revenues				
International wholesale	669	420	2 209	1 730
Telenor Digital	200	165	713	556
Corporate functions	658	634	2 517	2 244
Other/Eliminations	126	76	419	279
Total revenues	1 653	1 295	5 859	4 809

EBITDA before other items

International wholesale	15	17	65	71
Telenor Digital	(36)	(55)	(144)	(263)
Corporate functions	(212)	(241)	(607)	(759)
Other/Eliminations	15	20	107	73
Total EBITDA before other items	(218)	(259)	(579)	(877)

Operating profit (loss)

International wholesale	7	8	32	43
Telenor Digital	4	(69)	(123)	(511)
Corporate functions	(365)	(386)	(1 196)	(1 260)
Other/Eliminations	8	7	57	22
Total operating profit (loss)	(346)	(440)	(1 230)	(1 706)

Capex	58	170	523	618
Investments in businesses	280	1 425	732	6 676

- Revenues in International wholesale increased due to higher traffic volumes.
- Telenor Connexion, the machine-to-machine business within Telenor Digital, increased revenues to NOK 133 million this quarter from NOK 99 million last year while EBITDA increased with NOK 10 million to NOK 63 million due to higher volumes.
- Operating profit in Telenor Digital increased due to impairment of intangible assets last year and reversal of loss contracts accruals in Comoyo.
- EBITDA in Corporate functions increased mainly due to lower corporate activities.
- Revenues in Other/Eliminations increased mainly due to higher traffic volumes within Maritime Communication Partner.
- NOK 215 million were invested in 2014 for the development of new business support systems in Denmark and Hungary. Approximately 60% of the investment is related to Telenor Denmark.
- Investments in businesses in fourth quarter 2014 and 2013 were mainly related to the acquisition of two joint ventures in online classifieds (SnT Classifieds and 701 Search Pte) in cooperation with Schibsted Media Group and Singapore Press holdings and further financing of these ventures.

Group overview

The comments below are related to Telenor's development in 2014 compared to 2013 unless otherwise stated. Telenor Denmark is now classified as a discontinued operation. Consequently, historical Group income statement has been restated accordingly. Please refer to note 2 for further information.

Revenues

- Revenues increased by 7.5% or NOK 7.4 billion from higher revenues in all operations except dtac and Broadcast. Dtac's revenue decline was caused by lower interconnect rates and a challenging business environment. The decline in revenue in Broadcast is attributable to the divestment of Conax. Currency effects on revenues were positive by NOK 2.3 billion.

EBITDA before other income and other expenses

- EBITDA before other items increased by NOK 2.9 billion or 8.2%, of which NOK 0.7 billion from the inclusion of Telenor Bulgaria. Improved performance in all operations more than offset the start-up cost in Myanmar and the divestment of Conax. There were positive currency effects on EBITDA of NOK 0.9 billion.

Specification of other income and other expenses

(NOK in millions)	4th quarter		Year	
	2014	2013	2014	2013
EBITDA before other income and other expenses	9 091	8 738	37 681	34 768
EBITDA before other income and other expenses (%)	31.2	33.2	35.4	35.1
Licence refund in India	-	-	1 659	-
Gains on disposals of fixed assets and operations	130	21	1 430	182
Losses on disposals of fixed assets and operations	(182)	(49)	(271)	(190)
Workforce reductions, onerous (loss) contracts	(156)	(114)	(675)	(552)
EBITDA	8 883	8 597	39 823	34 208
EBITDA margin (%)	30.5	32.6	37.4	34.5

In the fourth quarter of 2014 'Other income and other expenses' consisted mainly of:

- Legal disputes related to India (NOK 103 million).
- Losses on disposal of fixed assets in Sweden (NOK 60 million) and in Corporate functions (NOK 30 million).
- Gain due to sale of shares and loss of control in TSM Nordic (NOK 25 million).
- Workforce reductions in Norway (NOK 41 million).

In 2014 'Other income and other expenses' also included:

- Licence refund in India. See note 4 for further information.
- Gains on disposals of operations were mainly related to divestment of Conax.
- Workforce reductions and onerous contracts in Telenor Norway, Corporate Functions and Canal Digital.

Operating profit

- Operating profit increased by NOK 3.9 billion due to improved EBITDA and NOK 2.7 billion higher other items as described above, partly offset by higher depreciation and amortisation in most business units and the inclusion of Telenor Bulgaria.

Associated companies and joint ventures

(NOK in millions)	4th quarter		Year	
	2014	2013	2014	2013
Telenor's share of				
Profit after taxes	(27)	(3 810)	(2 457)	(437)
Amortisation of Telenor's net excess values	(33)	(56)	(162)	(285)
Impairment losses	160	(190)	92	(504)
Gains (losses) on disposal of ownership interests	-	-	(61)	(359)
Profit (loss) from associated companies and joint ventures	100	(4 056)	(2 588)	(1 586)

- Profit after tax from associated companies and joint ventures in the fourth quarter of 2014 includes net income of NOK 190 million for Telenor's share of VimpelCom's result for the third quarter of 2014.
- Profit after tax from associated companies and joint ventures in the fourth quarter of 2014 is impacted negatively with NOK 173 million from our online classifieds ventures with Schibsted ASA, mainly due to activities to build market positions.
- Reversal of impairment of NOK 160 million during the fourth quarter of 2014 relates to EVRY ASA, see note 3 for further information.
- Telenor's share of VimpelCom recognised in the statement of financial position as of 31 December 2014 corresponds to USD 5.43 per share after taking estimated translation differences for the fourth quarter of 2014 into consideration, see note 3. The market value as of 31 December 2014 was USD 4.18 per share. The market value is reflecting increased geopolitical uncertainty and heightened risks related to the development of the Russian economy.

Financial items

(NOK in millions)	4th quarter		Year	
	2014	2013	2014	2013
Financial income	113	106	476	541
Financial expenses	(650)	(741)	(2 188)	(2 460)
Net currency gains (losses)	(259)	71	(160)	(499)
Net change in fair value of financial instruments	7	(45)	128	472
Net gains (losses and impairment) of financial assets and liabilities	10	53	40	39
Net financial income (expenses)	(780)	(556)	(1 704)	(1 907)
Gross interest expenses	(515)	(644)	(1 872)	(2 041)
Net interest expenses	(451)	(569)	(1 596)	(1 653)

- Net currency losses in the fourth quarter were primarily related to intercompany positions and payables in other currencies than functional currency.

Taxes

- The effective tax rates for the fourth quarter and for the year 2014 were 36% and 32% respectively. The effective tax rate for the fourth quarter is relatively high due to losses in India and Myanmar. The effective tax rate for 2014 is low mainly due to effects of non-taxable gain on sale of Conax and licence refund in India realized during the first quarter of 2014.
- The effective tax rate for the year 2015 is estimated to be around 31%.

Investments

(NOK in millions)	4th quarter		Year	
	2014	2013	2014	2013
Capex	6 602	4 994	22 527	16 610
Capex excl. licences and spectrum	5 636	4 468	16 870	14 224
Capex excl. licences and spectrum/Revenues (%)	19.4	17.0	15.8	14.3

- Capital expenditure (excl. licences and spectrum) in 2014 increased by NOK 2.6 billion. Investments increased in all business units except Norway, dtac and Broadcast.
- Licence investments of NOK 1 billion in the fourth quarter of 2014 were mainly related to Hungary.

Cash flow

- Net cash inflow from operating activities during 2014 was NOK 33.9 billion, a decrease of NOK 3.1 billion compared to 2013. This is mainly explained by a NOK 8 billion reduction in dividends received from VimpelCom Ltd. This effect was partially offset by higher EBITDA before other items of NOK 2.9 billion, improved working capital by NOK 1.8 billion and lower income tax paid of NOK 0.3 billion.
- Net cash outflow to investing activities during 2014 was NOK 21 billion, an increase of NOK 0.4 billion compared to 2013. The increase is mainly explained by higher investments in network assets and licences of NOK 5.1 billion, acquisition of Tele2's fibre and cable business and investments in joint ventures of NOK 1.4 billion. Those effects are partly offset by acquisition of Globul of NOK 4.5 billion and investment in joint ventures of NOK 1.5 billion in 2013.
- Net cash outflow to financing activities during 2014 was NOK 13.9 billion. This is mainly explained by dividends paid to shareholders in Telenor ASA of NOK 10.6 billion and to non-controlling interest of NOK 3.4 billion, share buyback of NOK 1 billion, partially offset by net proceeds from borrowings of NOK 1.1 billion.
- Cash and cash equivalents decreased by NOK 0.1 billion during 2014 to NOK 11.9 billion as of 31 December 2014.

Financial position

- During 2014, total assets increased by NOK 14.0 billion to NOK 195.3 billion. This was mainly due to higher investments in network and licences and weakening of Norwegian Krone against the relevant currencies. These effects were partly offset by decrease in carrying amount of associated companies and joint ventures, mainly arising from Telenor's share of negative results and other comprehensive income in VimpelCom Ltd.
- Net interest bearing liabilities increased by NOK 7.7 billion to NOK 47.1 billion. Gross interest bearing liabilities increased by NOK 9.1 billion, largely impacted by the weakening of the Norwegian Krone, which was partly offset by an increase in value of hedging instruments of NOK 1.4 billion.
- Total equity decreased by NOK 7.0 billion to NOK 70.0 billion mainly due to payment of dividends of NOK 14 billion, Telenor's estimated share of other comprehensive income and equity adjustment in associated companies of NOK 12.4 billion, share buy-back of NOK 1.0 billion and pension re-measurement of NOK 0.7 billion. This was partly offset by income from operations of NOK 14.0 billion and translation differences including net investment hedge effects of NOK 7.3 billion.

Transactions with related parties

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

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

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

Dividends for 2014

The Telenor Board of Directors intends to ask the general meeting for an authority to resolve dividend payments (as provided for in the Norwegian Public Limited Companies Act with effect from July 2013) based on the company's latest approved annual accounts. The Telenor Board of Directors intends to pay a dividend for 2014 of NOK 7.30 per share split in two tranches, of which one (NOK 3.80 per share) in June and the other (NOK 3.50 per share) in November.

The move to semi-annual dividends align Telenor's competitive shareholder remuneration with the company's cash flow profile throughout the year, thereby optimizing funding flexibility and cash management in the Group.

Outlook for 2015

Based on the current Group structure (including Myanmar) Telenor expects:

- Mid-single digit organic revenue growth.
- EBITDA margin before other income and expenses in the range of 33-35%.
- Capital expenditure as a proportion of revenues, excluding licences, spectrum and the broadcasting satellite, in line with 2014 level.

Capital expenditure related to the broadcasting satellite is expected to be NOK 1.4 billion.

Risk and uncertainties

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

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

For additional explanations regarding risks and uncertainties, please refer to the Report of the Board of Directors for 2013, section Risk Factors and Risk Management, and Telenor's Annual Report 2013 Note 28 Managing Capital and Financial Risk Management and Note 33 Commitments and Contingencies. Readers are also referred to the disclaimer at the end of this section.

New developments of risks and uncertainties since the publication of Telenor's Annual Report for 2013 are:

Legal disputes

See note 7 for details.

Financial aspects

As of 31 December 2014, Telenor ASA had issued guarantees of NOK 2.5 billion related to India, of which NOK 1.2 billion related to interest-bearing liabilities. The remaining NOK 1.3 billion related to guarantees issued primarily to the Indian Department of Telecom.

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

Disclaimer

This report contains statements regarding the future in connection with Telenor's growth initiatives, profit figures, outlook, strategies and objectives. In particular, the section 'Outlook for 2015' 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, 10 February 2015
The Board of Directors of Telenor ASA

Interim condensed financial information

Consolidated income statement

Telenor Group

(NOK in millions except earnings per share)	4th quarter		Year	
	2014	2013	2014	2013
Revenues	29 101	26 333	106 540	99 138
Costs of materials and traffic charges	(8 677)	(7 484)	(28 822)	(26 575)
Salaries and personnel costs	(2 827)	(2 655)	(10 468)	(9 889)
Other operating expenses	(8 506)	(7 457)	(29 569)	(27 906)
Other income	130	21	3 089	182
Other expenses	(338)	(163)	(946)	(742)
EBITDA	8 883	8 597	39 823	34 208
Depreciation and amortisation	(4 003)	(3 337)	(14 754)	(12 965)
Impairment losses	(9)	(26)	(34)	(151)
Operating profit	4 871	5 234	25 034	21 092
Share of net income from associated companies	100	(4 056)	(2 527)	(1 226)
Gain (loss) on disposal of associated companies	-	-	(61)	(359)
Net financial income (expenses)	(780)	(556)	(1 704)	(1 907)
Profit before taxes	4 191	622	20 742	17 599
Income taxes	(1 499)	(1 179)	(6 614)	(5 669)
Profit (loss) from continuing operations	2 692	(557)	14 128	11 930
Profit (loss) from discontinued operations	(17)	(26)	(100)	193
Net income (loss)	2 675	(583)	14 028	12 123
Net income (loss) attributable to:				
Non-controlling interests	910	1 436	3 682	3 375
Equity holders of Telenor ASA	1 765	(2 019)	10 346	8 748
Earnings per share in NOK				
Basic from continuing operations	1.19	(1.32)	6.94	5.62
Diluted from continuing operations	1.19	(1.32)	6.94	5.61
Earnings per share in NOK				
Basic from discontinued operations	(0.01)	(0.02)	(0.07)	0.13
Diluted from discontinued operations	(0.01)	(0.02)	(0.07)	0.13
Earnings per share in NOK				
Basic from total operations	1.18	(1.34)	6.88	5.74
Diluted from total operations	1.17	(1.34)	6.87	5.74

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

Consolidated statement of comprehensive income

Telenor Group

(NOK in millions)	4th quarter		Year	
	2014	2013	2014	2013
Net income (loss)	2 675	(583)	14 028	12 123
Translation differences on net investment in foreign operations	10 434	1 013	11 095	7 688
Income taxes	(104)	55	(86)	125
Amount reclassified from equity to profit and loss on disposal	-	-	(83)	55
Net gain (loss) on hedge of net investment	(5 390)	(954)	(5 271)	(4 030)
Income taxes	1 455	267	1 423	1 130
Amount reclassified from equity to profit and loss on disposal	-	-	-	(7)
Net gain (loss) on available-for-sale-investment	8	(4)	45	18
Amount reclassified from equity to profit and loss on disposal	-	-	(17)	-
Share of other comprehensive income (loss) of associated companies	(7 015)	85	(11 103)	192
Amount reclassified from equity to profit and loss on disposal	-	-	24	240
Items that may be reclassified subsequently to income statement	(612)	461	(3 972)	5 410
Remeasurement of defined benefit pension plans	294	(709)	(931)	(1 246)
Income taxes	(88)	189	234	337
Items that will not be reclassified to income statement	205	(520)	(697)	(908)
Other comprehensive income (loss), net of taxes	(407)	(59)	(4 669)	4 502
Total comprehensive income (loss)	2 268	(642)	9 358	16 626
Total comprehensive income (loss) attributable to:				
Non-controlling interests	1 414	1 366	4 441	3 566
Equity holders of Telenor ASA	854	(2 008)	4 918	13 059

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

Consolidated statement of financial position

Telenor Group

(NOK in millions)	31 December 2014	31 December 2013
Deferred tax assets	3 411	3 585
Goodwill	22 493	21 442
Intangible assets	39 024	32 271
Property, plant and equipment	56 368	49 547
Associated companies and joint ventures	25 636	34 600
Other non-current assets	6 054	4 696
Total non-current assets	152 985	146 141
Prepaid taxes	224	531
Inventories	1 907	1 587
Trade and other receivables	19 816	19 701
Other current financial assets	1 089	1 027
Assets classified as held for sale	7 321	6
Cash and cash equivalents	11 909	11 978
Total current assets	42 266	34 830
Total assets	195 252	180 971
Equity attributable to equity holders of Telenor ASA	65 251	73 365
Non-controlling interests	4 750	3 672
Total equity	70 001	77 037
Non-current interest-bearing liabilities	60 814	51 001
Non-current non-interest-bearing liabilities	1 981	834
Deferred tax liabilities	2 505	2 127
Pension obligations	3 568	2 736
Provisions and obligations	3 113	2 874
Total non-current liabilities	71 981	59 572
Current interest-bearing liabilities	7 387	7 291
Trade and other payables	37 216	31 706
Current tax payables	2 676	2 566
Current non-interest-bearing liabilities	2 411	1 485
Provisions and obligations	1 635	1 315
Liabilities classified as held for sale	1 944	-
Total current liabilities	53 269	44 362
Total equity and liabilities	195 252	180 971
Equity ratio including non-controlling interests (%)	35.9	42.6
Net interest-bearing liabilities	47 126	39 395

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

Consolidated statement of cash flows

Telenor Group

(NOK in millions)	4th quarter		Year	
	2014	2013	2014	2013
Profit before taxes from total operation ¹⁾	4 144	621	20 638	17 825
Income taxes paid	(1 679)	(669)	(4 509)	(4 831)
Net (gains) losses from disposals, impairments and change in fair value of financial assets and liabilities	(31)	60	(2 996)	(469)
Depreciation, amortisation and impairment losses	4 212	3 591	15 564	13 882
Loss (profit) from associated companies and joint ventures	(99)	4 057	2 590	1 589
Dividends received from associated companies	146	1 600	219	8 194
Currency (gains) losses not related to operating activities	296	(11)	229	498
Changes in other operating working capital assets and liabilities	(942)	(2 111)	2 130	301
Net cash flow from operating activities	6 048	7 137	33 864	36 990
Purchases of property, plant and equipment (PPE) and intangible assets	(5 817)	(5 614)	(20 693)	(15 612)
Purchases of subsidiaries and associated companies, net of cash acquired	(257)	(1 362)	(1 443)	(5 973)
Proceeds from PPE, intangible assets and businesses, net of cash disposed	34	62	1 199	267
Proceeds from and purchases of other investments	(10)	9	(61)	703
Net cash flow from investing activities	(6 050)	6	(20 997)	(20 614)
Proceeds from and repayments of borrowings	(1 289)	(1 179)	1 135	2 192
Proceeds from issuance of shares, incl. from non-controlling interests in subsidiaries	-	-	25	6
Share buyback by Telenor ASA	-	(112)	(1 048)	(3 998)
Repayment of equity and dividends paid to non-controlling interests in subsidiaries	(790)	(639)	(3 411)	(2 729)
Dividends paid to equity holders of Telenor ASA	-	-	(10 567)	(9 239)
Net cash flow from financing activities	(2 079)	(1 930)	(13 866)	(13 768)
Effects of exchange rate changes on cash and cash equivalents	773	49	915	567
Net change in cash and cash equivalents	(1 308)	(1 650)	(85)	3 175
Cash and cash equivalents at the beginning of the period	13 202	13 630	11 978	8 805
Cash and cash equivalents at the end of the period ²⁾	11 893	11 978	11 893	11 978
Of which cash and cash equivalents in discontinued operations at the end of the period	441	-	441	-
Cash and cash equivalents in continuing operations at the end of the period	11 452	11 978	11 452	11 978

The statement includes discontinued operations prior to their disposal.

¹⁾ Profit before taxes from total operations consist of:

Profit before taxes from continuing operations	4 191	622	20 742	17 599
Profit before taxes from discontinued operations	(47)	(1)	(104)	226
Profit before taxes from total operations	4 144	621	20 638	17 825

²⁾ As of 31 December 2014, restricted cash was NOK 480 million, while as of 31 December 2013, restricted cash was NOK 464 million.

Cash flow from discontinued operations

(NOK in millions)	4th quarter		Year	
	2014	2013	2014	2013
Net cash flow from operating activities	83	260	817	1 110
Net cash flow from investing activities	(105)	(104)	(507)	(476)
Net cash flow from financing activities	78	(14)	10	11

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 the parent				Total	Non-controlling interests	Total equity
	Total paid in capital	Other reserves	Retained earnings	Cumulative translation differences			
Equity as of 1 January 2013	9 334	(2 155)	75 956	(9 779)	73 355	3 057	76 412
Net income for the period	-	-	8 748	-	8 748	3 375	12 123
Other comprehensive income for the period	-	(459)	-	4 770	4 311	191	4 502
Total comprehensive income for the period	-	(459)	8 748	4 770	13 059	3 566	16 625
Transactions with non-controlling interests	-	222	-	-	222	(209)	13
Equity adjustments in associated companies	-	(26)	-	-	(26)	-	(26)
Dividends	-	-	(9 239)	-	(9 239)	(2 743)	(11 982)
Share buyback	(209)	(3 789)	-	-	(3 998)	-	(3 998)
Share - based payment, exercise of share options and distribution of shares	2	(10)	-	-	(8)	-	(8)
Equity as of 31 December 2013	9 127	(6 217)	75 464	(5 009)	73 365	3 672	77 037
Net income for the period	-	-	10 346	-	10 346	3 682	14 028
Other comprehensive income for the period	-	(11 744)	-	6 316	(5 428)	758	(4 669)
Total comprehensive income for the period	-	(11 744)	10 346	6 316	4 918	4 441	9 358
Transactions with non-controlling interests	-	(2)	-	-	(2)	22	20
Equity adjustments in associated companies	-	(1 304)	-	-	(1 304)	-	(1 304)
Dividends	-	-	(10 567)	-	(10 567)	(3 385)	(13 951)
Share buyback	(49)	(999)	-	-	(1 048)	-	(1 048)
Share - based payment, exercise of share options and distribution of shares	-	(112)	-	-	(112)	-	(112)
Equity as of 31 December 2014	9 078	(20 377)	75 243	1 308	65 251	4 750	70 001

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

Notes to the interim consolidated financial statements

Note 1 – General accounting principles

Telenor (the Group) consists of Telenor ASA (the Company) and its subsidiaries. Telenor ASA is a limited liability company, incorporated in Norway. The interim condensed consolidated financial statements consist of the Group and the Group's interests in associated companies and joint arrangements. As a result of rounding differences, numbers or percentages may not add up to the total.

These interim condensed consolidated financial statements for the year ending 31 December 2014, have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's Annual Report 2013. The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's Annual Financial Statements for the year ended 31 December 2013.

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

Note 2 – Discontinued operation and business combinations

Joint Arrangement agreement in Denmark

On 3 December 2014 Telenor and TeliaSonera entered into an agreement to merge their 100% owned Danish operations into a new joint venture in which the parties will own 50 percent each. Telenor and TeliaSonera have agreed that the enterprise values of their respective operations are fairly equal and hence the agreement is based on equal ownership. Differences in net debt and changes in working capital from signing to closing will be settled in cash.

Telenor and TeliaSonera have agreed upon the key transaction terms. The transaction requires approval from the EU Commission. The parties expect EU clearance and closing of the transaction during 2015. The operations remain separate and operate independently up to the closing of the transaction.

Telenor Denmark is presented as discontinued operation in the income statement and comparative periods are restated. In the statement of financial position as of 31 December 2014, Telenor Denmark is classified as held for sale.

Assets and liabilities held for sale

In the statement of financial position as of 31 December 2014, Telenor Denmark and EVRY are classified as held for sale.

	Assets held for sale	Liabilities held for sale
Telenor Denmark	6 226	1 944
EVRY	1 092	-

Acquisition of Tele2's cable and fibre business

On 2 January 2014, Telenor acquired 100% of the voting rights in Tele2's Swedish residential fibre and cable TV business for NOK 747 million. The business includes 370,000 connected households, with 125,000 fixed broadband subscribers, 75,000 digital TV subscribers and 220,000 analogue TV households. The acquisition strengthens Telenor's position as one of the leading providers of broadband and digital TV services in Sweden.

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

NOK in millions	Fair values as of acquisition date
Customer base	279
Property, plant and equipment	493
Other assets	9
Total assets	781
Deferred tax liability	97
Current liabilities	37
Total liabilities	134
Net identifiable assets	648
Goodwill	99
Total consideration for the shares, satisfied by cash	747

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

For the period between the date of acquisition and 31 December 2014, the acquired cable and fibre business contributed NOK 553 million to revenues and NOK 172 million negative to the Telenor Group's profit before taxes.

Note 3 – Associated companies

VimpelCom Ltd.

On 18 April 2014, VimpelCom Ltd. announced the signing of a share purchase agreement for the sale by Global Telecom Holding S.A.E. ("GTH") of a 51% interest in Omnim Telecom Algeria SpA (formerly known as Orascom Telecom Algérie SpA, "OTA" or "Djezzy") to the Fonds National d'Investissement (the "FNI"), the Algerian National Investment Fund, for a consideration of USD 2.6 billion. On 30 January 2015, VimpelCom Ltd. announced the Closing of transaction. In addition, VimpelCom Ltd. announced that GTH and the FNI have entered into a shareholders agreement, which governs their relationship as shareholders in OTA going forward. GTH will continue to exercise operational control over OTA and, as a result, both GTH and VimpelCom will continue to fully consolidate OTA.

At Closing of the transaction, GTH terminated its international arbitration against the Algerian State initiated on April 12, 2012 and the parties to the arbitration settled the arbitration and all claims relating thereto. At the same time, the foreign exchange and import restrictions put in place by the Bank of Algeria against OTA on April 15, 2010 were lifted, following the payment by OTA to the Algerian Treasury of the fine of DZD 99 billion (equivalent to approx. USD 1.1 billion). In addition, OTA has written off the related tax receivable on its balance sheet.

VimpelCom Ltd. recognised provision for fine of DZD 99 billion (equivalent USD 1.3 billion), wrote off its tax receivable of USD 0.6 billion, and provided for additional tax liability of USD 0.3 billion for withholding tax on dividend to be paid from OTA before closing of the transaction. As a result, VimpelCom Ltd. recognised one-off cumulative charge for the settlement costs of USD 2.2 billion in its 2013 financial statements.

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

Out of the total settlement costs of USD 2.2 billion, USD 1.1 billion is attributable to the shareholders of VimpelCom Ltd. Telenor, holding 33.05% economic interest in VimpelCom Ltd., recognised NOK 2.2 billion for its share of USD 1.1 billion in the income statement during the first half of 2014. The

accounting effect for the dilution of interests in OTA in the equity will be recognised by Telenor for its share after publication of VimpelCom's financial statements.

Telenor has recognised loss of NOK 11.0 billion in Other Comprehensive Income during 2014 related to its share of VimpelCom Ltd.'s translation differences arising from depreciation of local currencies against USD. During the fourth quarter of 2014, Telenor recognised loss of NOK 2.6 billion for its share of VimpelCom Ltd.'s translation differences for the third quarter of 2014, in accordance with Telenor's accounting policy of one quarter lag. In addition, due to significant depreciation of Russian Ruble and Ukrainian Hryvnia against USD during the fourth quarter of 2014, Telenor recognised NOK 4.4 billion for the fourth quarter of 2014 based on an estimate.

The loss of NOK 11.0 billion recognised during 2014 in Other Comprehensive Income is partly offset by NOK 6.5 billion due to depreciation of NOK against USD.

EVRY

Telenor holds ownership of 30.24% in Evry ASA as of 31 December 2014 and the company is an associated company for the Group.

On 8 December 2014, the board of Evry ASA announced that it recommends all shareholders of Evry ASA to accept the offer from Lyngen Bidco AS ("the Offeror") at NOK 16 per share for all outstanding shares in Evry. Telenor, together with the other major shareholder Posten Norge AS, signed pre-acceptance of the offer on the condition that the Offeror receives acceptance of more than 90% of the shares in Evry after a voluntary Offer Period. The voluntary Offer Period for all outstanding shares is until 11 February 2015, while the Offeror maintains its right to further extend the Offer Period up to 25 February 2015.

Evry ASA is classified as Asset Held for Sale as of 31 December 2014.

Note 4 – Other income

Licence refund in India

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

Disposal of Conax AS

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

Cash effect of the sale:

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

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

Note 5 – Interest-bearing liabilities

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

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

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

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

Fair value of interest-bearing liabilities recognised at amortised cost

NOK in millions	As of 31 December 2014		As of 31 December 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Interest-bearing financial liabilities	(68 201)	(73 299)	(58 292)	(59 920)

Bond prices has increased mainly due to lower market interest rates, increasing the fair value of interest-bearing liabilities significantly more than carrying amount in 2014.

Note 6 – Fair values of financial instruments

Financial derivatives are recognised at fair value based on observable market data (Level 2). See note 29 in the Annual Report 2013 for valuation methodologies.

NOK in millions	As of 31 December 2014	As of 31 December 2013
	Other non-current assets	3 410
Other financial current assets	305	291
Non-current non-interest-bearing financial liabilities	(1 604)	(481)
Non-current interest-bearing financial liabilities	(10)	(277)
Current non-interest-bearing liabilities	(1 216)	(404)
Total	884	1 228

Note 7 – Legal disputes

The issues described below are updates compared to information included in the Annual Report 2013 note 33 and have to be read in conjunction with this. For legal disputes, in which the Group assesses it to be probable (more likely than not) that an economic outflow will be required to settle the obligation, provisions are made based on management's best estimate.

Grameenphone

SIM tax on replacement SIM cards

On 16 May 2012, National Board of Revenue issued a notice to Grameenphone claiming SIM tax and interest of NOK 1.5 billion on replacement SIM cards issued during the period from July 2007 to December 2011. Grameenphone challenged the demand by a writ petition before the High Court which passed a Stay Order on the operation of the demand valid until 13 September 2013. In mid-2013, a special commission, appointed by the Government, was set up to review this case, in respect of all operators. In mid-April 2014 the Commission presented their report stating principally same amounts as the initial NBR conclusions. Grameenphone disagrees with this report and is taking necessary steps to challenge it. Grameenphone received a letter from NBR asking Grameenphone to attend a hearing on 25 January 2015. By way of a Writ Petition, Grameenphone challenged the premises on which the 'hearing notice' was served. The company obtained a stay order on 19 January 2015 on the operation of that notice for an interim period of three months pending hearing of the Writ Petition.

Large Taxpayer Unit (LTU) – VAT claim

On 14 May 2014, Large Taxpayer Unit (LTU)-VAT in Bangladesh issued a 'pay or explain' demand of approximately NOK 1.6 billion, against Grameenphone. This demand was based on an assessment by Local and Revenue Audit Department of Comptroller and Auditor General (C&AG) office, for the fiscal year 2010-11 and 2011-12. Grameenphone disagrees with the findings of the assessment referred to by LTU because of lack of jurisdiction and improper procedures followed. Further Grameenphone believes that relevant facts and legal provisions are being misconstrued in reaching the conclusion. Grameenphone has taken this issue to court. On 15 December 2014, the High Court heard the case and passed a judgment in favour of Grameenphone. This decision may be appealed by the authorities.

dtac

Disputes between dtac and CAT

CAT Telecom Public Company Limited (CAT) and dtac have a number of disputes and disagreements over understanding and scope of the concession agreements. This also includes how the new 3G regime is to be understood in relation to the concession agreements. CAT has threatened to terminate the concession agreements, due to alleged breaches by dtac of these agreements and continues to present claims of compensation against dtac. CAT served dtac notices to claim compensation from dtac due to porting of its subscribers to its subsidiary dtac TriNet during September 2013 – December 2014 in the amount of NOK 2.3 billion. CAT has also filed injunction petitions with the Administrative court against dtac, dtac TriNet and NBTC, aiming at restricting dtac TriNet from using dtac's network. The court has so far rejected injunction petition against dtac Trinet, while injunction petition against dtac is pending. Dtac is of the opinion that the company is operating in accordance with applicable laws and regulations and refutes any allegations from CAT that dtac is operating in violation of concession agreements.

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

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

On 17 November 2006, dtac issued a written notification informing TOT Public Company Limited (TOT) and CAT Telecom Public Company Limited (CAT) that dtac would no longer apply the rates for calculating the access

charge under the Access Charge Agreements entered into with TOT on the basis that the rate and the collection of access charge under the Access Charge Agreements were contrary to the law in a number of respects. dtac also informed TOT and CAT that it would pay the interconnection charge to TOT when dtac and TOT have entered into an interconnection charge agreement in accordance with the Notification. TOT has refused to enter into such agreement. The matter has been through various administrative and court proceedings, which has concluded that TOT is obligated to commence negotiations with dtac. TOT still rejects entering into an interconnection agreement and has appealed the matter to Supreme Administrative Court. The matter is now under consideration of the Court.

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

On 10 October 2014, dtac was informed that TOT increased its claim for the period May 2011-July 2014 by NOK 29.9 billion so that the total claim amounts to approximately NOK 55.5 billion, plus default interests. The claim disclosed in the third quarter report remains unchanged in local currency. Presently, this case is under consideration of the Central Administrative Court. The net effect (before income taxes) in ceasing to recognise the access charge under the Access Charge Agreements from 18 November 2006 to 31 December 2014 amounts to approximately NOK 15 billion in reduced expenses.

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

On 31 August 2011, CAT filed a lawsuit with the Arbitration Institute requesting dtac to pay additional revenue sharing on interconnection charge for the concession year 16 (16 September 2006 to 15 September 2007) in the amount of NOK 0.9 billion plus penalty interest at the rate of 15% p.a. from 16 December 2007 based on the ground that dtac has no right to deduct any interconnect expenses from its revenue and has no right to exclude interconnect revenue from its revenue to be calculated for the revenue sharing (payment of concession fee) to CAT under the Concession Agreement.

On 14 August 2014, the arbitrators gave an award in the matter, in which they dismissed certain parts of the claim from CAT. Dtac filed an objection with the Central Administrative Court on 4 December 2014.

India

Department of Telecommunications in India (DoT) issued a notice dated 17 November 2014 to Unitech Wireless seeking an explanation as to why retrospective spectrum fee payment of NOK 0.8 billion plus interest should not be recovered by DoT as per direction of the Supreme Court dated 15 February 2013 for the licences quashed by the Supreme Court order on 2 February 2012.

Telenor India has replied to the above notice on 29 December 2014 and has challenged the DoT's notice and the interpretation by DoT of the Supreme Court judgment.

Note 8 – Transactions with related parties

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

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

Note 9 – Events after the reporting period

On 8 February 2015, the Board of Directors of Grameenphone Ltd. proposed final dividend for 2014 of BDT 6.5 per share which correspond to approximately NOK 0.8 billion total dividend and approximately NOK 0.5 billion for Telenor ownership share.

On 9 February 2015, the Board of Directors of Digi declared the fourth interim dividend for 2014 of MYR 0.072 per share which corresponds to approximately NOK 1.2 billion total dividend and approximately NOK 0.6 billion for Telenor ownership share.

On 10 February 2015, the Board of Directors of Total Access Communication Public Company Limited (dtac) declared interim dividend for 2014 of THB 2.34 per share which corresponds to approximately NOK 1.2 billion total dividend and approximately NOK 0.8 billion for Telenor ownership share.

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

Telenor Montenegro and Telenor Serbia are reported as one operating segment "Telenor Montenegro and Serbia" from 1 January 2014. Telenor Myanmar, reported under "Other units" in the fourth quarter of 2013, is reported as one reporting segment from 1 January 2014. Telenor Denmark is classified as "Discontinued Operation" as of 31 December 2014. The figures for previous periods are reclassified accordingly.

The operations

Fourth quarter

(NOK in millions)	Total revenues			of which internal		EBITDA before other income and other expenses*			
	2014	2013	Growth	2014	2013	2014	Margin	2013	Margin
Norway	6 730	6 479	3.9%	88	83	2 747	40.8%	2 545	39.3%
Sweden	3 114	2 996	3.9%	27	48	785	25.2%	825	27.5%
Hungary	1 150	1 092	5.3%	17	6	279	24.2%	307	28.1%
Bulgaria	734	696	5.5%	3	-	253	34.4%	208	29.9%
Montenegro & Serbia	883	870	1.5%	29	32	287	32.5%	311	35.8%
dtac - Thailand	5 265	4 732	11.3%	17	28	1 476	28.0%	1 521	32.1%
Digi - Malaysia	3 667	3 272	12.1%	1	1	1 640	44.7%	1 512	46.2%
Grameenphone - Bangladesh	2 306	1 895	21.7%	-	-	1 161	50.3%	970	51.2%
Pakistan	1 737	1 340	29.6%	210	1	635	36.5%	470	35.1%
India	1 187	836	42.1%	1	7	(97)	nm	(107)	nm
Myanmar	287	-	-	5	-	(248)	-	(48)	-
Broadcast	1 550	1 778	(12.8%)	40	57	458	29.5%	523	29.4%
Other units	1 653	1 295	27.7%	726	686	(218)	nm	(259)	nm
Eliminations	(1 163)	(948)	-	(1 163)	(948)	(65)	-	(40)	-
Group	29 101	26 333	10.5%	-	-	9 091	31.2%	8 738	33.2%

The operations for the year

(NOK in millions)	Total revenues			of which internal		EBITDA before other income and other expenses*			
	2014	2013	Growth	2014	2013	2014	Margin	2013	Margin
Norway	26 186	25 071	4.4%	340	343	11 255	43.0%	10 758	42.9%
Sweden	11 728	10 973	6.9%	106	162	3 489	29.7%	3 266	29.8%
Hungary	4 239	4 022	5.4%	36	17	1 375	32.4%	1 393	34.6%
Bulgaria	2 723	1 151	-	7	1	1 041	38.2%	373	-
Montenegro & Serbia	3 450	3 393	1.7%	119	131	1 293	37.5%	1 355	39.9%
dtac - Thailand	17 562	18 112	(3.0%)	41	69	5 993	34.1%	5 763	31.8%
Digi - Malaysia	13 513	12 556	7.6%	4	4	6 086	45.0%	5 651	45.0%
Grameenphone - Bangladesh	8 367	7 294	14.7%	2	7	4 434	53.0%	3 709	50.9%
Pakistan	6 214	5 406	14.9%	508	3	2 394	38.5%	2 052	38.0%
India	4 200	3 001	40.0%	3	12	(422)	nm	(585)	nm
Myanmar	290	-	-	5	-	(508)	-	(48)	-
Broadcast	6 309	6 735	(6.3%)	154	185	1 951	30.9%	2 109	31.3%
Other units	5 859	4 809	21.8%	2 772	2 451	(579)	nm	(877)	nm
Eliminations	(4 098)	(3 385)	-	(4 098)	(3 385)	(120)	-	(150)	-
Group	106 540	99 138	7.5%	-	-	37 681	35.4%	34 768	35.1%

* The segment profit is EBITDA before other income and other expenses

Reconciliation

(NOK in millions)	4th quarter		Year	
	2014	2013	2014	2013
Net income (loss)	2 675	(583)	14 028	12 123
Profit (loss) from discontinued operations	(17)	(26)	(100)	193
Profit (loss) from continuing operations	2 692	(557)	14 128	11 930
Income taxes	(1 499)	(1 179)	(6 614)	(5 669)
Profit before taxes	4 191	622	20 742	17 599
Net financial income (expenses)	(780)	(556)	(1 704)	(1 907)
Profit (loss) from associated companies and joint ventures	100	(4 056)	(2 588)	(1 586)
Depreciation and amortisation	(4 003)	(3 337)	(14 754)	(12 965)
Impairment losses	(9)	(26)	(34)	(151)
EBITDA	8 883	8 597	39 823	34 208
Other income	130	21	3 089	182
Other expenses	(338)	(163)	(946)	(742)
EBITDA before other income and expenses	9 091	8 738	37 681	34 768

EBITDA				Operating profit (loss)			
2014	Margin	2013	Margin	2014	Margin	2013	Margin
2 700	40.1%	2 496	38.5%	1 807	26.8%	1 686	26.0%
723	23.2%	826	27.6%	341	10.9%	434	14.5%
260	22.6%	304	27.8%	129	11.2%	193	17.7%
253	34.4%	210	30.2%	38	5.2%	(134)	nm
285	32.2%	313	36.0%	187	21.1%	216	24.8%
1 489	28.3%	1 520	32.1%	598	11.4%	891	18.8%
1 643	44.8%	1 512	46.2%	1 360	37.1%	1 276	39.0%
1 155	50.1%	933	49.2%	716	31.0%	608	32.1%
634	36.5%	435	32.4%	402	23.1%	323	24.1%
(197)	nm	(112)	nm	(285)	nm	(132)	nm
(248)	-	(48)	-	(336)	-	(48)	-
446	28.8%	510	28.7%	310	20.0%	358	20.1%
(207)	nm	(276)	nm	(346)	nm	(440)	nm
(51)	-	(26)	-	(50)	-	3	-
8 883	30.5%	8 597	32.6%	4 871	16.7%	5 234	19.9%

EBITDA				Operating profit (loss)			
2014	Margin	2013	Margin	2014	Margin	2013	Margin
10 862	41.5%	10 518	42.0%	7 430	28.4%	7 423	29.6%
3 434	29.3%	3 230	29.4%	1 900	16.2%	1 824	16.6%
1 327	31.3%	1 357	33.7%	851	20.1%	968	24.1%
1 039	38.1%	365	-	(406)	-	(81)	-
1 288	37.3%	1 356	40.0%	913	26.5%	1 014	29.9%
6 021	34.3%	5 688	31.4%	3 124	17.8%	3 442	19.0%
6 099	45.1%	5 655	45.0%	5 125	37.9%	4 008	31.9%
4 435	53.0%	3 726	51.1%	3 000	35.9%	2 562	35.1%
2 380	38.3%	2 024	37.4%	1 578	25.4%	822	15.2%
1 161	27.6%	(551)	nm	882	21.0%	(576)	nm
(508)	-	(48)	-	(605)	-	(48)	-
3 095	49.1%	2 078	30.9%	2 556	40.5%	1 493	22.2%
(719)	nm	(1 064)	nm	(1 230)	nm	(1 706)	nm
(90)	-	(126)	-	(86)	-	(51)	-
39 823	37.4%	34 208	34.5%	25 034	23.5%	21 092	21.3%

Definitions

- Organic revenue is defined as revenue adjusted for the effects of acquisition and disposal of operations and currency effects.
- Capital expenditure (capex) is investments in tangible and intangible assets.
- Operating cash flow is defined as EBITDA before other income and expenses less capex, excluding licences and spectrum.
- Investments in businesses comprise acquisitions of shares and participations, including acquisitions of subsidiaries and businesses not organised as separate companies.

Mobile operations

Revenues

Subscription and traffic

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

Interconnect

- consist of revenues from incoming traffic related to the company's own subscriptions. Revenues from incoming traffic related to service provider or MVNO subscriptions are not included.

Other mobile

- consist of inbound roaming, national roaming, telemetric and revenues related to service providers and MVNOs (Mobile Virtual Network Operators). Telemetric is defined as machine-to-machine SIM cards (M2M), for example vending machines and meter readings.

Non-mobile

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

Mobile revenues from company's own subscriptions

- consist of 'Subscription and traffic' and 'Interconnect' and do not include revenues from inbound roaming, national roaming, service providers, MVNOs, sale of customer equipment and incoming traffic related to service provider subscriptions.

Key figures

Subscriptions

Contract subscriptions are counted until the subscription is terminated or until there has been no revenues or outgoing/incoming traffic during the last three months. Prepaid subscriptions are counted as active if there has been outgoing or incoming traffic or if the SIM card has been reloaded during the last three months. Service provider and MVNO subscriptions are not included. Data only SIM cards are included, but SIM cards used for telemetric applications and twin/multi SIM cards are excluded. Total subscriptions are voice SIM cards plus data only SIM cards used for mobile broadband.

Active mobile internet users

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

Average traffic minutes per subscription per month (AMPU)

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

Average revenue per subscription per month (ARPU)

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

Fixed operations

Revenues

Telephony

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

Internet and TV

- consist of subscription and connection fees for xDSL and fibre, subscription fees and traffic charges for Dial Up Internet in addition to revenues from TV services.

Data services

- consist of Nordic Connect/IP-VPN, Global communication and security.

Other

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

Wholesale

- consist of sale to service providers of telephony (PSTN/ISDN), Bitstream, LLUB, national and international interconnect, transit traffic, leased lines and other wholesale products.

Key figures

Subscriptions

Telephony consist of PSTN, ISDN and VoIP subscriptions.

Internet consists of broadband access over xDSL, fibre and cable TV.

TV consists of TV services over fibre and cable.

Subscriptions are counted until the subscription is terminated.

Average revenue per subscription per month (ARPU)

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

Internet ARPU is calculated based on Internet revenues as defined above except TV service revenues.

TV ARPU is calculated based on revenues from TV services.

Broadcast

Revenues

Canal Digital DTH

- consist of revenues from Nordic DTH subscribers, households in SMATV networks and DTT subscribers in Finland.

Satellite Broadcasting

- consist of revenues from satellite services from the satellite position 1-degree west.

Norkring

- consist of revenues from terrestrial radio and TV transmission in Norway and Belgium.

Conax

- consist of revenues from sale of encryption and conditional access services for TV distribution.

Other

- consist of revenues from Telenor Media Invest.

Notes

Notes

Notes

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