

TELENOR ASA
Form 6-K
October 31, 2003

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

**PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date: 30th October, 2003, for the 3Q of 2003

TELENOR ASA

(Registrant's Name)

Snarøyveien 30,
1331 Fornebu,
Norway
(Registrant's Address)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

TELENOR ASA THIRD

30.10.03 08:11 TEL QUARTER 2003 RESULTS

Telenor's revenues increased by 10% to NOK 13,491 million. EBITDA was NOK 4,892 million for the quarter. Operating profit was NOK 2,300 and profit before taxes and minority interests was NOK 2.0 billion. Capex was NOK 1,460 million. Net interest-bearing liabilities were NOK 21.6 billion at the end of the quarter. The Board will consider to propose that an increased share of net income is paid as dividend and will also consider to repurchase shares.

Telenor's revenues increased by 10% to NOK 13,491 million. Adjusted for the effect of businesses acquired and disposed of and changes in foreign exchange rates, the growth in revenues was approximately 9%. Telenor's EBITDA margin increased from 31% to 36% and EBITDA was NOK 4,892 million in the third quarter of 2003. The increase was primarily due to good underlying operations in the form of cost savings and increased revenues. The consolidation of Kyivstar also contributed to the increase. Telenor's consolidated operating profit increased from NOK 488 million to NOK 2,300 million. The increase was affected by the above-mentioned factors as well as write-downs in 2002 of NOK 614 million. Profit before taxes and minority interests increased by NOK 2.1 billion to NOK 2.0 billion. Telenor's program for improving the efficiency of operations, Delta 4, is progressing better than originally expected. EBITDA in Mobile increased by 23% and operating profit by 33%, to NOK 2,601 million and NOK 1,507 million respectively. The EBITDA margin increased by 1.5 percentage points to 41% in the third quarter of 2003. The EBITDA margin in Telenor Mobile - Norway was 41% in the third quarter of 2003. The EBITDA margin in Fixed increased by 4 percentage points to 34%. The EBITDA margin in Fixed - Norway increased by 4.5

percentage points to 37%. Telenor's market share of mobile services in Norway is estimated to be 57% at the end of the third quarter 2003 measured in number of subscriptions. The number of mobile subscriptions increased compared to the end of the second quarter. The market share in the fixed line operations was just above 69% measured in traffic minutes. Broadcast had an operating profit compared to an operating loss in the third quarter of 2002. Capital expenditure was reduced to NOK 1,460 million, compared to NOK 2,169 million in the third quarter of 2002. Net interest-bearing liabilities were NOK 21.6 billion at the end of the third quarter of 2003, a decrease of NOK 3.7 billion since the second quarter.

Outlook: For Telenor as a whole, continued growth is expected in the fourth quarter in revenues and a slight improvement in the EBITDA margin compared to the fourth quarter of 2002. For the year as a whole, this will mean a considerable improvement both in EBITDA and in the operating profit compared to 2002, excluding special items. For 2003 the level of capital expenditure is expected to be significantly lower than in 2002, in spite of the consolidation of Kyivstar, Canal Digital and Pannon GSM. Increased results and lower capital expenditure are expected to give a significant improvement in Telenor's cash flow from operations (EBITDA-Capex) for 2003 compared to 2002. For the Norwegian fixed network operations the EBITDA margin in the fourth quarter is expected to be in line with the first nine months of the year. Telenor expects that increased revenues from ADSL will be offset by reduced revenues from traffic and Internet. At the same time, it is expected that wholesale of subscriptions will result in reduced revenues as a result of a shift from end user to wholesale revenues, while other services are expected to have a moderate growth. For the Norwegian mobile activities continued strong competitive pressure is expected. Telenor will emphasize securing our current market position. The margin development will in the short run be influenced by the competition and the growth in the market. Telenor will continue to focus on increasing efficiency. For Telenor's international operations, continued growth in

revenues is expected in the fourth quarter compared to the fourth quarter of 2002, but this growth is expected to slow down compared to the growth in the first nine months of 2003 as against the same period in 2002. The markets in some of Telenor's international mobile companies are beginning to mature, and the growth is no longer influenced by the consolidation of new operations. In the separate markets there are different growth and competition, and Telenor seeks to balance the focus on profitability and market share. Compared to the fourth quarter of 2002, it is expected that in the fourth quarter of 2003 the EBITDA margin will improve, but that it will stabilize at a level corresponding approximately to the first nine months of the year. Based on improved earnings and lower investments, the Board of Telenor will consider to propose for the General Meeting that an increased share of net income is paid as dividend and will consider to repurchase shares according to an authority provided by the General Meeting.

30.10.03 08:53 **TEL CLARIFICATION OF OUTLOOK Q4 2003** delårsresultat

In the released outlook for Q4 2003 the statement of slight improvement in EBITDA-margin , relates to the adjusted EBITDA-margin of 31.5% in Q4 2002.

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Telenor:

Results for the third quarter of 2003

(Oslo/Fornebu, 30 October 2003) Telenor's revenues increased in the third quarter of 2003 compared to the third quarter of 2002. Capital expenditure and debt were once again reduced and the programme for operational efficiency, Delta 4, progressed better in the third quarter than originally expected. Mobile operations (Mobile) showed an overall good growth, and in the Norwegian market there was a positive development in the number of subscriptions compared to the previous quarter. Fixed network operations (Fixed) showed increased margins and in Broadcast an operating loss in the third quarter of 2002 was turned to an operating profit in the third quarter of 2003.

Telenor's revenues in the third quarter of 2003 increased by 10 per cent to close to NOK 13.5 billion compared to the corresponding period last year. Operating profit increased from NOK 488 million to NOK 2,300 million. Profit before taxes increased by NOK 2.1 billion to NOK 2.0 billion.

Compared to the third quarter of 2002, the EBITDA margin increased from 31 per cent to 36 per cent in the third quarter of 2003 while EBITDA (operating profit before depreciation, amortization and write-downs) increased from NOK 3,767 billion to near NOK 4,892 billion. The increase is primarily due to improved underlying development in the form of cost reductions and increased revenues. The consolidation of the Ukraine mobile company Kyivstar also contributed positively.

Capital expenditure decreased to NOK 1,460 million in the third quarter compared to NOK 2,169 million in the same period last year. Net interest-bearing liabilities at the end of the third quarter this year was NOK 21.6 billion, which is NOK 3.7 billion lower than at the end of the second quarter this year.

In Mobile, EBITDA increased by 23 per cent and operating profit by 33 per cent to NOK 2,601 million and NOK 1,507 respectively in the third quarter of 2003 compared to the same period last year. This growth came from international mobile operations. In Norway, the estimated market share measured in terms of number of mobile subscriptions was 57 per cent by the end of the third quarter this year.

In Fixed the EBITDA margin increased by four percentage points to 34 per cent while it increased by 4.5 percentage points to 37 per cent in Norway compared to the third quarter last year. The estimated market share for fixed network operations in Norway measured in traffic minutes was just above 69 per cent.

Broadcast reported a positive operating profit, compared to an operating loss in the third quarter of 2002.

The results after the third quarter are pleasing and we are now beginning to see clear evidence of the effects of our programme for operational efficiency, Delta 4, which progresses better than

originally expected. We are also pleased to note a good underlying development in both Fixed and Mobile. Telenor has a balance, which puts us in a solid position for further development. On basis of improved revenues and lower capex, the Board of Telenor ASA will consider to propose for the General Meeting to increase the share of net income to be paid as dividend and consider to repurchase shares, says Telenor CEO Jon Fredrik Baksaas.

Contact:

Chief Press Spokesman Dag Melgaard, tel.: +47 67 89 26 71 or +47 901 92 000

To the editorial staff:

Joint press and analyst s presentation

Telenor will present their financial results for the second quarter in a joint press and analyst s presentation, which will be held in the auditorium at the Telenor Expo Visitor Centre at Fornebu on Thursday 30 October at 9:00 am local Norwegian time. Jon Fredrik Baksaas (CEO), Arve Johansen (Senior Executive Vice President) and Torstein Moland (Senior Executive Vice President/CFO) will present the results.

Via Internet

The press and analyst s presentation will be streamed live via the Internet, and as a recording after the presentation at www.telenor.com/ir

International conference call

On the same day at 3:00 pm local Norwegian time, an international telephone conference pertaining to the second quarter results will take place, intended for investors and analysts. For more information about the conference call, please go to www.telenor.com/ir

Material

The second quarter report and the materials used during the press and analyst presentation will be available at www.telenor.com/ir

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The third quarter of 2003 showed a growth in revenues for the Telenor Group of 10% to NOK 13.5 billion. Profit before taxes and minority interests increased to NOK 2.0 billion.

Telenor ASA third quarter 2003

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Telenor ASA third quarter of 2003

**KEY POINTS FROM THE THIRD QUARTER OF 2003
COMPARED TO THE THIRD QUARTER OF 2002**

Telenor's revenues increased by 10% to NOK 13,491 million. Adjusted for the effect of businesses acquired and disposed of and changes in foreign exchange rates, the growth in revenues was approximately 9%.

Telenor's EBITDA margin increased from 31% to 36% and EBITDA was NOK 4,892 million in the third quarter of 2003. The increase was primarily due to good underlying operations in the form of cost savings and increased revenues. The consolidation of Kyivstar also contributed to the increase.

Telenor's consolidated operating profit increased from NOK 488 million to NOK 2,300 million. The increase was affected by the above-mentioned factors as well as write-downs in 2002 of NOK 614 million. Profit before taxes and minority interests increased by NOK 2.1 billion to NOK 2.0 billion.

Telenor's program for improving the efficiency of operations, Delta 4, is progressing better than originally expected.

EBITDA in Mobile increased by 23% and operating profit by 33%, to NOK 2,601 million and NOK 1,507 million respectively. The EBITDA margin increased by 1.5 percentage points to 41% in the third quarter of 2003. The EBITDA margin in Telenor Mobile Norway was 41% in the third quarter of 2003.

The EBITDA margin in Fixed increased by 4 percentage points to 34%. The EBITDA margin in Fixed Norway increased by 4.5 percentage points to 37%.

Telenor's market share of mobile services in Norway is estimated to be 57% at the end of the third quarter 2003 measured in number of subscriptions. The number of mobile subscriptions increased compared to the end of the second quarter. The market share in the fixed line operations was just above 69% measured in traffic minutes.

Broadcast had an operating profit compared to an operating loss in the third quarter of 2002.

Capital expenditure was reduced to NOK 1,460 million, compared to NOK 2,169 million in the third quarter of 2002.

Net interest-bearing liabilities were NOK 21.6 billion at the end of the third quarter of 2003, a decrease of NOK 3.7 billion since the second quarter.

KEY FIGURES

| (NOK in millions) | 3rd quarter | | First three quarters | | Year |
|---|-------------|---------|----------------------|--------|---------|
| | 2003 | 2002 | 2003 | 2002 | 2002 |
| Revenues | 13,491 | 12,210 | 39,320 | 35,784 | 48,826 |
| Revenues excluding gains | 13,469 | 12,209 | 39,218 | 35,666 | 48,668 |
| Revenues excluding gains growth (%) | 10.3 | 21.9 | 10.0 | 20.0 | 19.9 |
| EBITDA ¹⁾ | 4,892 | 3,767 | 13,419 | 9,879 | 13,469 |
| EBITDA/Revenues (%) | 36.3 | 30.9 | 34.1 | 27.6 | 27.6 |
| EBITDA excluding gains and losses ²⁾ | 4,886 | 3,778 | 13,518 | 9,859 | 13,458 |
| Operating profit (loss) | 2,300 | 488 | 5,387 | 1,781 | (320) |
| Operating profit/Revenues (%) | 17.0 | 4.0 | 13.7 | 5.0 | (0.7) |
| Associated companies | 62 | (126) | 1,410 | (304) | (2,450) |
| Profit (loss) before taxes and minority interests | 2,005 | (105) | 5,542 | 309 | (5,136) |
| Net income (loss) | 1,281 | (1,046) | 3,561 | 278 | (4,298) |
| Net interest-bearing liabilities | | | 21,584 | 27,645 | 26,872 |
| Investments: | | | | | |
| - Capex ³⁾ | 1,460 | 2,169 | 4,004 | 6,209 | 8,889 |
| - Investments in businesses ⁴⁾ | 9 | 493 | 300 | 11,639 | 12,411 |

¹⁾ Operating profit before depreciation, amortization and write-downs of tangible and intangible assets.

²⁾ See table special items at the end of this report for further details.

³⁾ Capex is investments in tangible and intangible assets.

⁴⁾ Consists of acquisition of shares and participations including acquisition of subsidiaries and businesses not organized as separate companies.

The table below shows key figures adjusted for special items (gains and losses, expenses for workforce reductions, loss contracts, exit from activities and write-downs)¹⁾

| (NOK in millions) | 2003 | 3rd quarter | Growth | First three quarters | | Growth | Year | |
|--|--------|-------------|--------|----------------------|--------|--------|--------|-------|
| | | 2002 | | 2003 | 2002 | | 2002 | |
| Revenues | 13,469 | 12,209 | 10.3% | 39,218 | 35,666 | 10.0% | 48,668 | 19.9% |
| EBITDA | 5,004 | 3,891 | 28.6% | 13,722 | 10,377 | 32.2% | 14,506 | 52.7% |
| EBITDA/Revenues (%) | 37.2 | 31.9 | | 35.0 | 29.1 | | 29.8 | |
| Operating profit | 2,425 | 1,226 | 97.8% | 5,766 | 3,028 | 90.4% | 4,270 | 89.7% |
| Operating profit/Revenues (%) | 18.0 | 10.0 | | 14.7 | 8.5 | | 8.8 | |
| Associated companies | 62 | (52) | nm | (98) | (230) | nm | (205) | nm |
| Profit before taxes and minority interests | 2,168 | 757 | 186.4% | 4,541 | 1,725 | 163.2% | 2,488 | nm |

¹⁾ See table special items at the end of this report for further details.

KEY FIGURES FOR THE BUSINESS AREAS

With effect from 1 January 2003, Telenor has reorganized into three business areas, consisting of mobile operations (Mobile), fixed network operations (Fixed) and TV operations (Broadcast), as well as other activities. The figures presented in this report for 2002 are restated to reflect the new structure, as if it had been in place as of 1 January 2002.

Revenues

| (NOK in millions) | 3rd quarter | | | First three quarters | | | Year | |
|-----------------------|---------------|---------------|--------------|----------------------|---------------|-------------|---------------|-------------|
| | 2003 | 2002 | Growth | 2003 | 2002 | Growth | 2002 | Growth |
| Mobile | 6,322 | 5,320 | 18.8% | 17,499 | 14,680 | 19.2% | 20,346 | 62.0% |
| Fixed | 5,152 | 4,869 | 5.8% | 15,334 | 14,937 | 2.7% | 20,022 | 1.7% |
| Broadcast | 1,203 | 1,059 | 13.6% | 3,510 | 2,445 | 43.6% | 3,605 | 37.3% |
| Other activities | 2,495 | 2,605 | (4.2%) | 8,014 | 8,753 | (8.4%) | 11,640 | (39.2%) |
| Eliminations | (1,681) | (1,643) | 2.3% | (5,037) | (5,031) | 0.1% | (6,787) | (14.8%) |
| Total revenues | 13,491 | 12,210 | 10.5% | 39,320 | 35,784 | 9.9% | 48,826 | 6.1% |

EBITDA

| (NOK in millions) | 3rd quarter | | | | First three quarters | | | | Year | |
|--|--------------|----------------------|--------------|----------------------|----------------------|----------------------|---------------|----------------------|---------------|----------------------|
| | 2003 | Margin ¹⁾ | 2002 | Margin ¹⁾ | 2003 | Margin ¹⁾ | 2002 | Margin ¹⁾ | 2002 | Margin ¹⁾ |
| Mobile | 2,601 | 41.1% | 2,107 | 39.6% | 7,073 | 40.4% | 5,398 | 36.8% | 7,482 | 36.8% |
| Fixed | 1,761 | 34.2% | 1,471 | 30.2% | 5,043 | 32.9% | 4,238 | 28.4% | 5,597 | 28.0% |
| Broadcast | 319 | 26.5% | 181 | 17.1% | 850 | 24.2% | 381 | 15.6% | 499 | 13.8% |
| Other activities | 186 | 7.5% | 90 | 3.5% | 453 | 5.7% | (9) | nm | (43) | nm |
| Eliminations | 25 | nm | (82) | 5.0% | | 0.0% | (129) | 2.6% | (66) | 1.0% |
| Total EBITDA | 4,892 | 18.3% | 3,767 | 15.6% | 13,419 | 34.1% | 9,879 | 27.6% | 13,469 | 27.6% |
| Special items ²⁾ | 112 | nm | 124 | nm | 303 | nm | 498 | nm | 1,037 | 1.0% |
| EBITDA adjusted for special items | 5,004 | 37.2% | 3,891 | 31.9% | 13,722 | 35.0% | 10,377 | 29.1% | 14,506 | 29.8% |

¹⁾ EBITDA as a percentage of total revenues.

²⁾ Gains, losses, expenses for workforce reductions, loss contracts and exit from activities. See table special items at the end of the report for further details.

³⁾ Margin is EBITDA adjusted as a percentage of revenues excluding gains.

Operating profit (loss)

| (NOK in millions) | 3rd quarter | | | | First three quarters | | | | Year | |
|-------------------|-------------|----------------------|-------|----------------------|----------------------|----------------------|---------|----------------------|---------|----------------------|
| | 2003 | Margin ¹⁾ | 2002 | Margin ¹⁾ | 2003 | Margin ¹⁾ | 2002 | Margin ¹⁾ | 2002 | Margin ¹⁾ |
| Mobile | 1,507 | 23.8% | 1,134 | 21.3% | 3,792 | 21.7% | 2,720 | 18.5% | 1,414 | 6.9% |
| Fixed | 792 | 15.4% | 9 | 0.2% | 1,963 | 12.8% | 594 | 4.0% | 731 | 3.7% |
| Broadcast | 63 | 5.2% | (134) | nm | 49 | 1.4% | (234) | nm | (475) | nm |
| Other units | (121) | nm | (516) | nm | (482) | nm | (1,293) | nm | (2,076) | nm |

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| | | | | | | | | | | |
|-------------------------------|--------------|-------------|------------|-------------|--------------|--------------|--------------|-------------|--------------|-----------|
| Eliminations | 59 | nm | (5) | 0.3% | 65 | nm | (6) | 0.1% | 86 | nm |
| Total operating profit | 2,300 | 8.6% | 488 | 2.0% | 5,387 | 13.7% | 1,781 | 5.0% | (320) | nm |

¹⁾ Operating profit as a percentage of total revenues.

BUSINESS AREAS
MOBILE

| (NOK in millions) | 3rd quarter | | First three quarters | | Year |
|-------------------------------------|--------------|--------------|----------------------|---------------|---------------|
| | 2003 | 2002 | 2003 | 2002 | 2002 |
| External revenues | | | | | |
| Telenor Mobil | 2,511 | 2,481 | 7,288 | 7,094 | 9,441 |
| Pannon GSM | 1,408 | 1,250 | 3,904 | 3,160 | 4,502 |
| DiGi.Com | 825 | 648 | 2,290 | 1,980 | 2,702 |
| GrameenPhone | 424 | 386 | 1,102 | 1,210 | 1,589 |
| Kyivstar | 760 | 190 | 1,833 | 190 | 708 |
| Other | 38 | 36 | 103 | 96 | 137 |
| Total external revenues | 5,966 | 4,991 | 16,520 | 13,730 | 19,079 |
| Internal revenues | 356 | 329 | 979 | 950 | 1,267 |
| Gains on disposal | | | | | |
| Total revenues | 6,322 | 5,320 | 17,499 | 14,680 | 20,346 |
| EBITDA | 2,601 | 2,107 | 7,073 | 5,398 | 7,482 |
| Depreciation and amortization | 1,092 | 973 | 3,252 | 2,565 | 3,779 |
| Write-downs | 2 | | 29 | 113 | 2,289 |
| Operating profit | 1,507 | 1,134 | 3,792 | 2,720 | 1,414 |
| EBITDA/Total revenues (%) | 41.1 | 39.6 | 40.4 | 36.8 | 36.8 |
| Operating profit/Total revenues (%) | 23.8 | 21.3 | 21.7 | 18.5 | 6.9 |
| Investments: | | | | | |
| - Capex | 881 | 853 | 2,246 | 2,332 | 3,731 |
| - Investments in businesses | | 481 | 5 | 8,431 | 8,894 |

Underlying improvements in profit and margins in the international mobile operations contributed to an increase in the EBITDA margin to 41.1% compared to 39.6% in the third quarter of 2002. At the same time revenues increased by 18.8%.

Kyivstar was consolidated from 1 September 2002 and Pannon GSM from 4 February 2002.

In the third quarter Telenor Mobile, together with eight leading independent European mobile operators formed a Mobile Alliance to provide seamless, enhanced voice and data solutions for business and residential customers across Europe.

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Telenor Mobil Norway

| (NOK in millions) | 3rd quarter | | First three quarters | | Year |
|-------------------------------------|--------------|--------------|----------------------|--------------|---------------|
| | 2003 | 2002 | 2003 | 2002 | 2002 |
| Subscriptions and connections | 289 | 331 | 911 | 1,000 | 1,350 |
| Traffic | 1,457 | 1,497 | 4,120 | 4,190 | 5,489 |
| SMS and content services | 379 | 398 | 1,166 | 1,123 | 1,530 |
| Other revenues | 386 | 255 | 1,091 | 781 | 1,072 |
| Total external revenues | 2,511 | 2,481 | 7,288 | 7,094 | 9,441 |
| Internal revenues | 323 | 328 | 952 | 940 | 1,254 |
| Gains on disposal | | | | | |
| Total revenues | 2,834 | 2,809 | 8,240 | 8,034 | 10,695 |
| EBITDA | 1,157 | 1,239 | 3,280 | 3,323 | 4,330 |
| Depreciation and amortization | 284 | 304 | 871 | 899 | 1,207 |
| Write-downs | | | | 96 | 115 |
| Operating profit | 873 | 935 | 2,409 | 2,328 | 3,008 |
| EBITDA/Total revenues (%) | 40.8 | 44.1 | 39.8 | 41.4 | 40.5 |
| Operating profit/Total revenues (%) | 30.8 | 33.3 | 29.2 | 29.0 | 28.1 |
| Capex | 79 | 170 | 264 | 618 | 750 |
| ARPU (GSM) monthly (NOK) | 354 | 359 | 343 | 348 | 346 |
| No. of subscriptions (in thousand) | | | 2,364 | 2,409 | 2,382 |

Increased revenues compared to the third quarter of 2002 was largely due to increased sales to other service providers and a slight increase in terminated traffic. Revenues from subscriptions and connections were reduced due to a reduction in the number of mobile subscriptions and changes in composition of the various subscription types. Revenues from SMS and content services, as well as outgoing voice traffic were reduced, primarily as a result of price reductions in the second quarter of 2003. Compared to the third quarter of 2002 internal revenues decreased due to the net reporting of Directory Enquiry services from the third quarter of 2003.

From 16 June 2003 Telenor Mobil introduced simplified pricing plans and lower average traffic fees. SMS prices were reduced as of 6 May 2003. These reductions are equivalent to approximately NOK 240 million in annual reduced revenues based on unchanged volumes. As of 1 July 2003 Telenor Mobil reduced end user prices further as a result of reduced prices of traffic terminated in NetCom's network.

Average revenue per GSM subscription (ARPU) decreased compared to the third quarter of 2002 as a result of lower prices for traffic and SMS, the effect of net reporting as described above and changed composition of various subscription types. This was partially offset by increased traffic minutes and increased use of SMSs per subscription.

Competition was also strong in the third quarter. Increased marketing efforts by Telenor contributed to an increase in the number of subscriptions by 34,000 compared to the second quarter of 2003, of which 10,000 were GSM contract subscriptions. The estimated market share for GSM measured in the number of subscriptions at the end of the third quarter of 2003 was approximately 57% compared to 58% in the second quarter of 2003. Mobile penetration was estimated to approximately 89% and 87% in the second quarter of 2003.

The reduced EBITDA margin compared to the third quarter of 2002 was primarily a result of increased costs for marketing activities due to the competitive situation, higher traffic costs as a result of increased traffic to other mobile networks and changed subscription composition and price reductions. This was partially offset by

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cost reductions in other areas, especially costs related to consultants and external personnel as well as salaries and personnel costs.

Depreciation and amortization decreased compared to the third quarter of 2002, primarily as a result of lower investments in recent years.

Reduced capital expenditure compared to the third quarter of 2002 was primarily due to lower investments in coverage and capacity in the GSM network. There was no significant capital expenditure related to UMTS expansion in 2003.

In July 2003 the Norwegian Post and Telecommunications Authority (NPT) recommended that the mobile operators in Norway reduce their termination charges by January 2004. For Telenor's part this means a reduction from NOK 0.68 to NOK 0.63 per minute. Telenor has agreed to the recommendation under certain conditions.

Pannon GSM Hungary

| (NOK in millions) | 3rd quarter | | First three quarters | | Year |
|-------------------------------------|--------------|--------------|----------------------|--------------|--------------|
| | 2003 | 2002 | 2003 | 2002 | 2002 |
| Mobile related revenues | 1,308 | 1,165 | 3,679 | 2,955 | 4,187 |
| Other revenues | 101 | 85 | 227 | 206 | 318 |
| Total revenues | 1,409 | 1,250 | 3,906 | 3,161 | 4,505 |
| EBITDA | 508 | 427 | 1,489 | 1,132 | 1,586 |
| Depreciation and amortization | 230 | 192 | 658 | 497 | 700 |
| Write-downs | | | 6 | | 15 |
| Operating profit | 278 | 235 | 825 | 635 | 871 |
| EBITDA/Total revenues (%) | 36.1 | 34.2 | 38.1 | 35.8 | 35.2 |
| Operating profit/Total revenues (%) | 19.7 | 18.8 | 21.1 | 20.1 | 19.3 |
| Capex | 195 | 189 | 444 | 564 | 825 |
| ARPU (GSM) monthly (NOK) | 170 | 177 | 163 | 181 | 180 |
| No. of subscriptions (in thousand) | | | 2,564 | 2,311 | 2,450 |

The table above shows figures from the time of consolidation as of 4 February 2002. Telenor's ownership interest in Pannon GSM is 100%.

Pannon GSM's estimated market share was 37% at the end of the third quarter of 2003, compared to 39% at the end of the third quarter of 2002. Compared to the third quarter of 2002, the estimated mobile penetration in Hungary increased from 63% to 75%.

The increased number of subscriptions contributed to a growth measured in local currency of 9% in revenues and 14% in EBITDA compared to the third quarter of 2002. The number of subscriptions increased by 11% from the third quarter of 2002. ARPU dropped by 6% compared to the third quarter of 2002, primarily due to price reductions and changes in the calling pattern.

Increased EBITDA compared to the third quarter of 2002 was related to increased revenues and lower provisions for Universal Services Funds.

Pannon GSM has increased its total number of subscriptions in a highly competitive market. Compared to the second quarter of 2003 the number of subscriptions increased by 50,000, of which 12,000 were GSM contract subscriptions. Related costs contributed to a reduction in the EBITDA margin compared to the second quarter of 2003.

Depreciation and amortization increased compared to the third quarter of 2002, as a result of higher investments in the subsequent quarters.

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In the first quarter of 2003, Pannon GSM was determined to have a significant market power in the national interconnection market. Pannon GSM has appealed the decision, which for the time being has been suspended until a final decision is made. The hearing before the Supreme Court in Hungary is scheduled for November 2003. The effect of an unfavorable decision in the case is difficult to quantify, but may lead to a requirement to reduce interconnection fees. As of 1 October 2003 Pannon GSM has reduced its interconnection fees by approximately 6%.

Digi.Com Malaysia

| (NOK in millions) | 3rd quarter | | First three quarters | | Year 2002 |
|---|-------------|------------|----------------------|--------------|--------------|
| | 2003 | 2002 | 2003 | 2002 | |
| Mobile related revenues | 707 | 531 | 1,961 | 1,646 | 2,273 |
| Other revenues | 119 | 119 | 333 | 343 | 442 |
| Total revenues | 826 | 650 | 2,294 | 1,989 | 2,715 |
| EBITDA | 319 | 222 | 909 | 707 | 1,022 |
| Depreciation and amortization | 202 | 179 | 579 | 358 | 579 |
| Write-downs | 5 | | 15 | 13 | 12 |
| Operating profit | 112 | 43 | 315 | 336 | 431 |
| EBITDA/Total revenues (%) | 38.6 | 34.2 | 39.6 | 35.5 | 37.6 |
| Operating profit/Total revenues (%) | 13.6 | 6.6 | 13.7 | 16.9 | 15.9 |
| Capex | 240 | 302 | 513 | 832 | 1,457 |
| ARPU (GSM) monthly (NOK) | 117 | 138 | 117 | 155 | 152 |
| No. of subscriptions (100% in thousand) | | | 2,055 | 1,454 | 1,616 |

Telenor's ownership interest in DiGi.Com was 61.0% at the end of the third quarter of 2003.

DiGi.Com's estimated market share was 19% at the end of the third quarter of 2003, compared to 17% at the end of the third quarter of 2002. Compared to the third quarter of 2002, the estimated mobile penetration in Malaysia increased from 34% to 45%.

Measured in local currency revenues increased by 35% compared to the third quarter of 2002, primarily as a result of an increased number of subscriptions. ARPU measured in local currency fell by 5% compared to the third quarter of 2002, primarily because new subscriptions on average generated lower traffic, and price reductions in the form of free calltime and loyalty programmes.

Increased EBITDA margin was due to the increased revenues and more efficient operations. Measured in local currency EBITDA increased by 52% compared to the third quarter of 2002, and by 44% measured in Norwegian Kroner.

Depreciation and amortization increased compared to the third quarter of 2002, as a result of higher capital expenditure in the subsequent quarters.

Capital expenditure (capex) increased compared to the level in the first half of 2003, primarily as a result of postponed activities in previous quarters. A further increase in the level of capital expenditure is expected in the fourth quarter.

DiGi.Com has been granted temporary relief to the end of the year from the required 25% level of free flow of shares on the Kuala Lumpur Stock Exchange.

Kyivstar Ukraine

| (NOK in millions) | 3rd quarter | | First three quarters | | Year |
|---|-------------|------------|----------------------|------------|------------|
| | 2003 | 2002 | 2003 | 2002 | 2002 |
| Mobile related revenues | 744 | 183 | 1,783 | 183 | 681 |
| Other revenues | 16 | 7 | 50 | 7 | 27 |
| Total revenues | 760 | 190 | 1,833 | 190 | 708 |
| EBITDA | 465 | 118 | 1,066 | 118 | 403 |
| Depreciation and amortization | 90 | 26 | 248 | 26 | 98 |
| Write-downs | — | — | — | — | — |
| Operating profit | 375 | 92 | 818 | 92 | 305 |
| EBITDA/Total revenues (%) | 61.2 | 62.1 | 58.2 | 62.1 | 56.9 |
| Operating profit/Total revenues (%) | 49.3 | 48.4 | 44.6 | 48.4 | 43.1 |
| Capex | 290 | 94 | 720 | 94 | 329 |
| ARPU (GSM) monthly (NOK) | 106 | 113 | 93 | 113 | 107 |
| No. of subscriptions (100% in thousand) | | | 2,512 | 1,659 | 1,856 |

The table above shows figures from the time of consolidation as of 1 September 2002. Telenor's ownership interest at the end of the third quarter of 2003 was 55.35%. The discussion and analysis presented below for Kyivstar is based upon Kyivstar's own profit and loss statement for the third quarter of 2002, adjusted to comply with Telenor's accounting principles, as Kyivstar was not consolidated for the whole of the third quarter of 2002.

The number of subscriptions in Kyivstar increased by 51% compared to the third quarter of 2002. Kyivstar's estimated market share was 48% at the end of the third quarter of 2003, compared to 49% at the end of the third quarter of 2002. The reduction was a result of increased competition, especially in the prepaid segment. Compared to the third quarter of 2002, the estimated mobile penetration in the Ukraine increased from 7% to 11%.

Measured in US Dollars, revenues in Kyivstar increased by 50% compared to the third quarter of 2002, as a result of an increase in the number of subscriptions. At the same time EBITDA increased by 48% measured in US Dollars. Increased revenues compared to the previous quarters in 2003 was related to more subscriptions and higher ARPU.

Despite strong growth in the number of subscriptions and the increased share of prepaid subscriptions, Kyivstar maintained ARPU at the same level as in the third quarter of 2002 measured in US Dollars. Compared to the second quarter of 2003 ARPU increased by 12% measured in US Dollars as a result of increased traffic minutes per subscription, primarily related to seasonal variations.

Continued high EBITDA margin reflected cost effective operations and a low level of sales and acquisition costs.

Depreciation and amortization measured in US Dollars increased compared to the third quarter of 2002, as a result of higher capital expenditure in the subsequent quarters.

From 19 September 2003 it is no longer permitted to charge own customers for incoming calls from other networks. In accordance with guidelines set by the authorities Kyivstar has entered into interconnection agreements with the fixed network operators. Overall this is a positive development for the mobile operators.

GrameenPhone Bangladesh

| (NOK in millions) | 3rd quarter | | First three quarters | | Year |
|---|-------------|------------|----------------------|--------------|--------------|
| | 2003 | 2002 | 2003 | 2002 | 2002 |
| Mobile related revenues | 424 | 314 | 1,097 | 891 | 1,203 |
| Other revenues ¹⁾ | | 72 | 6 | 319 | 386 |
| Total revenues | 424 | 386 | 1,103 | 1,210 | 1,589 |
| EBITDA | 274 | 208 | 692 | 584 | 757 |
| Depreciation and amortization | 43 | 35 | 117 | 114 | 126 |
| Write-downs | | | | | |
| Operating profit | 231 | 173 | 575 | 470 | 631 |
| EBITDA/Total revenues (%) | 64.6 | 53.9 | 62.7 | 48.3 | 47.6 |
| Operating profit/Total revenues (%) | 54.5 | 44.8 | 52.1 | 38.8 | 39.7 |
| Capex | 77 | 96 | 240 | 203 | 342 |
| ARPU (GSM) monthly (NOK) | 143 | 167 | 137 | 177 | 172 |
| No. of subscriptions (100% in thousand) | | | 1,047 | 704 | 769 |

The ownership interest was 46.4% and Telenor owned 51% of the voting shares at the end of the third quarter of 2003.

- ¹⁾ With effect from the third quarter of 2002, fees collected by GrameenPhone on behalf of the authorities have been deducted from revenues. With effect from the first quarter of 2003, sales of handsets in GrameenPhone are treated as commission sales, and are therefore excluded from revenues and cost of materials from this time. These effects contributed to low other revenues and cost of materials in 2003, but had no effect on profits.

GrameenPhone's estimated market share was 67% at the end of the third quarter of 2003, compared to 71% at the end of the third quarter of 2002, while the estimated mobile penetration in Bangladesh increased from 0.7% to 1.2%.

Increased numbers of subscriptions contributed to an increase measured in local currency in mobile related revenues by 46%, compared to the third quarter of 2002, and by 35% measured in Norwegian Kroner.

Measured in Norwegian Kroner ARPU decreased by 14% while the reduction measured in local currency was only 1% compared to the third quarter of 2002, despite the strong growth in the number of prepaid subscriptions. ARPU increased compared to previous quarters in 2003.

Measured in local currency EBITDA increased by 42% compared to the third quarter of 2002, primarily due to increased mobile related revenues and more efficient operations. The increase was 32% measured in Norwegian Kroner.

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Other units in Mobile (including eliminations and amortization and write-downs of net excess values)¹⁾

| (NOK in millions) | 3rd quarter | | First three quarters | | Year 2002 |
|---|--------------|--------------|----------------------|----------------|----------------|
| | 2003 | 2002 | 2003 | 2002 | |
| EBITDA | (122) | (107) | (363) | (466) | (616) |
| Depreciation and amortization ¹⁾ | 243 | 237 | 779 | 671 | 1,069 |
| Write-downs ²⁾ | (3) | — | 8 | 4 | 2,147 |
| Operating (loss) | (362) | (344) | (1,150) | (1,141) | (3,832) |
| ¹⁾ Includes amortization of Telenor's net excess values by | 239 | 203 | 713 | 568 | 935 |
| ²⁾ Includes write-downs of Telenor's net excess values by | | | | | 2,138 |
| Capex | | 2 | 65 | 21 | 28 |

*) Net excess values are the differences between Telenor's acquisition cost and Telenor's share of equity at acquisition of subsidiaries.

Other units in Mobile include the mobile activities in Sweden, costs related to the management and administration of the company's international mobile operations, and amortization and write-downs of Telenor's net excess values.

The EBITDA loss increased somewhat in relation to the third quarter of 2002 primarily due to increased activity in Sweden. The EBITDA loss in Sweden was NOK 37 million compared to a loss of NOK 6 million in the third quarter of 2002. Net costs related to management and administration of the company's international mobile portfolio decreased compared to the third quarter of 2002.

Increased amortization of Telenor's net excess values compared to the third quarter of 2002 was due to the consolidation of Kyivstar and allocation of excess values in Pannon GSM completed as of 31 December 2002. This was partially offset by lower amortization of goodwill related to DiGi.Com, as a result of the write-down recorded as of 31 December 2002.

Associated companies and joint ventures in Mobile

| (NOK in millions) | 3rd quarter | | First three quarters | | Year 2002 |
|---|-------------|-----------|----------------------|-----------|----------------|
| | 2003 | 2002 | 2003 | 2002 | |
| Telenor's share of¹⁾ | | | | | |
| Net income after taxes | 252 | 214 | 533 | 696 | 612 |
| Amortization of Telenor's net excess values | (157) | (199) | (457) | (617) | (798) |
| Write-downs of Telenor's excess values | | (3) | | (3) | (1,884) |
| Gains on disposal of ownership interests | | | 1,580 | | 40 |
| Net result from associated companies | 95 | 12 | 1,656 | 76 | (2,030) |

¹⁾ The figures are partly based on management's estimates in connection with the preparation of the consolidated financial statements. The consolidated profit and loss statement contains only the line net result from associated companies. The table includes Telenor's share of the results in Pannon GSM up to 4 February 2002 and Kyivstar up to 1 September 2002. Subsequent to these dates these companies are consolidated as subsidiaries. Cosmote was included as an associated company through April 2003. Net excess values are the differences between Telenor's acquisition cost and Telenor's share of equity at acquisition of associated companies.

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From the end of the second quarter there has been a significant growth in the overall subscription base for the associated companies. The growth was especially high in VimpelCom in Russia and DTAC in Thailand. In Sonofon in Denmark however, there was a reduction in the number of subscriptions due to strong competition.

The reduction in profits due to companies that are no longer associated companies was more than offset by the positive development in several of the remaining associated companies, primarily VimpelCom.

Reduced amortization of Telenor's net excess values compared to the third quarter of 2002 was due to write-downs made in 2002 and to associated companies that have become subsidiaries.

FIXED

| (NOK in millions) | 3rd quarter | | First three quarters | | Year |
|---|--------------|--------------|----------------------|---------------|---------------|
| | 2003 | 2002 | 2003 | 2002 | 2002 |
| External revenues | | | | | |
| Norway | 4,087 | 4,054 | 12,349 | 12,354 | 16,532 |
| Sweden | 393 | 220 | 1,086 | 761 | 983 |
| Russia | 204 | 167 | 556 | 500 | 677 |
| Other countries | 40 | 35 | 118 | 108 | 146 |
| Total external revenues | 4,724 | 4,476 | 14,109 | 13,723 | 18,338 |
| Internal revenues | 428 | 393 | 1,224 | 1,214 | 1,670 |
| Gains on disposal | | | 1 | | 14 |
| Total revenues | 5,152 | 4,869 | 15,334 | 14,937 | 20,022 |
| EBITDA | | | | | |
| Depreciation and amortization ¹⁾ | 1,761 | 1,471 | 5,043 | 4,238 | 5,597 |
| Write-downs ²⁾ | 969 | 1,111 | 3,073 | 3,275 | 4,366 |
| | | 351 | 7 | 369 | 500 |
| Operating profit | 792 | 9 | 1,963 | 594 | 731 |
| ¹⁾ Includes amortization of Telenor's net excess values by | (74) | 33 | (52) | 128 | 157 |
| ²⁾ Includes write-downs of Telenor's net excess values by | | 89 | | 89 | 160 |
| EBITDA/Total revenues (%) | 34.2 | 30.2 | 32.9 | 28.4 | 28.0 |
| Operating profit/Total revenues (%) | 15.4 | 0.2 | 12.8 | 4.0 | 3.7 |
| Investments: | | | | | |
| - Capex | 438 | 978 | 1,283 | 2,472 | 3,260 |
| - Investments in businesses | 1 | | 218 | 12 | 270 |

Reduced operating expenses contributed to the increase in the EBITDA margin to 34.2% while at the same time capital expenditure was significantly reduced compared to the third quarter of 2002.

Fixed Norway

| (NOK in millions) | 3rd quarter | | First three quarters | | Year |
|---|--------------|--------------|----------------------|---------------|---------------|
| | 2003 | 2002 | 2003 | 2002 | 2002 |
| Subscriptions and connections PSTN and ISDN | 1,069 | 1,132 | 3,269 | 3,251 | 4,361 |
| ADSL and Internet subscriptions | 277 | 187 | 766 | 533 | 737 |
| Internet traffic | 126 | 147 | 432 | 512 | 690 |
| Other traffic | 1,204 | 1,326 | 3,837 | 4,175 | 5,564 |
| Total PSTN/ISDN, ADSL and Internet | 2,676 | 2,792 | 8,304 | 8,471 | 11,352 |
| Leased lines | 88 | 97 | 249 | 267 | 341 |
| Datacommunication (frame relay, atm, lan-lan, datapak) | 209 | 197 | 618 | 625 | 828 |
| Managed services | 168 | 171 | 535 | 487 | 679 |
| Other retail products | 115 | 67 | 303 | 277 | 388 |
| Total other retail revenues | 580 | 532 | 1,705 | 1,656 | 2,236 |
| Total retail revenues | 3,256 | 3,324 | 10,009 | 10,127 | 13,588 |
| Domestic interconnect | 227 | 163 | 635 | 542 | 736 |
| International interconnect | 94 | 94 | 255 | 258 | 340 |
| Transit traffic | 275 | 265 | 778 | 797 | 1,027 |
| Leased lines | 158 | 149 | 474 | 492 | 647 |
| Other wholesale revenues | 77 | 59 | 198 | 138 | 194 |
| Total wholesale market revenues | 831 | 730 | 2,340 | 2,227 | 2,944 |
| Total external revenues | 4,087 | 4,054 | 12,349 | 12,354 | 16,532 |
| Internal revenues | 446 | 412 | 1,279 | 1,265 | 1,749 |
| Gains on disposal | | | 1 | | |
| Total revenues Norway | 4,533 | 4,466 | 13,629 | 13,619 | 18,281 |
| EBITDA | 1,677 | 1,450 | 4,904 | 4,162 | 5,489 |
| Depreciation and amortization ¹⁾ | 940 | 1,010 | 2,811 | 2,929 | 3,919 |
| Write-downs ²⁾ | | 349 | | 367 | 413 |
| Operating profit | 737 | 91 | 2,093 | 866 | 1,157 |
| ¹⁾ Includes amortization of Telenor's net excess values by | 6 | 7 | 7 | 19 | 23 |
| ²⁾ Includes write-downs of Telenor's net excess values by | | 89 | | 89 | 89 |
| EBITDA/Total revenues (%) | 37.0 | 32.5 | 36.0 | 30.6 | 30.0 |
| Operating profit/Total revenues (%) | 16.3 | 2.0 | 15.4 | 6.4 | 6.3 |
| Investments: | | | | | |
| - Capex | 365 | 902 | 1,086 | 2,203 | 2,919 |
| - Investments in businesses | | | | 10 | 11 |

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External revenues from PSTN and ISDN subscriptions and connections were reduced compared to the third quarter of 2002 due to the transition to wholesale of subscriptions and a drop in the number of subscriptions in the market. Increased external revenues from ADSL and Internet subscriptions was due to the growth in the number of ADSL subscriptions. The number of ADSL subscriptions (residential and business) at the end of the third quarter of 2003 was approximately 150,000, an increase of nearly 87,000 compared to the third quarter of 2002 and 16,000 compared to the end of the second quarter of 2003. Telenor maintained its market leading position.

External traffic revenues were lower than in the third quarter of 2002 due to an approximately 7% decline in total traffic measured in minutes in Telenor's network and reduced market share. The reduction in total traffic resulted from the migration of fixed voice traffic to mobile traffic and of data traffic from dial-up Internet to ADSL. Telenor's market share measured in traffic minutes was 69% at the end of the third quarter of 2003 compared to 73% at the end of the third quarter of 2002 and 70% at the end of the previous quarter.

Increased external wholesale revenues was primarily due to wholesale of subscriptions, increased national interconnection traffic and increased sales of operator access.

Increased EBITDA compared to the third quarter of 2002 was primarily related to an increased contribution margin (revenues less cost of materials and traffic charges) and reduced operating expenses. The increased contribution margin was related to revenue growth and change in the product mix towards products with higher margins. In the third quarter of 2003 provisions for workforce reductions initiated in 2002 totalling NOK 28 million were reversed, while in the third quarter of 2002 NOK 66 million was expensed, primarily related to loss contracts within operating services.

In the third quarter of 2002 write-downs totalling NOK 349 million were made, mainly within operating services. Depreciation and amortization was lower than in the third quarter of 2002 due to low levels of investment in 2002 and 2003, in addition to the effect of write-downs made in 2002. With effect from 1 July 2003 Telenor reduced the depreciation period for a billing system due to the decision to invest in a new system. This contributed to increased depreciation of NOK 25 million in the third quarter of 2003.

The reduction in capital expenditure compared to the third quarter of 2002 was due to the efficient utilization of earlier investments, lower demand for fixed network services and lower equipment prices.

Fixed Sweden

| (NOK in millions) | 3rd quarter | | First three quarters | | Year |
|--|-------------|-------------|----------------------|--------------|--------------|
| | 2003 | 2002 | 2003 | 2002 | 2002 |
| External revenues | 393 | 220 | 1,086 | 761 | 983 |
| Internal revenues | 19 | 18 | 62 | 60 | 76 |
| Gains on disposal | | | | | 14 |
| Total revenues | 412 | 238 | 1,148 | 821 | 1,073 |
| EBITDA | 14 | (28) | (48) | (74) | (100) |
| Depreciation and amortization ¹⁾ | (25) | 46 | 105 | 175 | 218 |
| Write-downs ¹⁾ | | | 4 | | 15 |
| Operating profit (loss) | 39 | (74) | (157) | (249) | (333) |
| ¹⁾ Include amortization and write-downs of Telenor's net excess values by | (97) | 1 | (108) | 30 | 31 |
| Investments: | | | | | |
| - Capex | 7 | 20 | 26 | 68 | 84 |
| - Investments in businesses | | | | | 257 |

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The activities in Fixed Sweden are significantly different compared to 2002. As of 31 December 2002, the customer base in Telenordia Privat AB was sold in exchange for 37.2% of the shares in the listed Swedish company Glocalnet AB. In December 2002 Telenor acquired 90% of the listed Swedish company Utfors AB, and the company was consolidated as a subsidiary as of 31 December 2002.

In addition to the effect of the consolidation of Utfors revenues increased compared to the third quarter of 2002 due to new wholesale agreements with the associated company Glocalnet AB. In the third quarter of 2002, Telenordia Privat had external revenues of NOK 57 million and an EBITDA loss of NOK 18 million.

In the third quarter of 2003 the allocation of net excess values related to the acquisition of Utfors AB was finalized. This resulted in negative goodwill. Part of this negative goodwill was related to expected losses at the time of the acquisition, and is taken to income in line with the losses. The rest of the negative goodwill is recognized as income over 14 years, and is included in depreciation and amortization.

Fixed Russia

| (NOK in millions) | 3rd quarter | | First three quarters | | Year |
|--|-------------|------------|----------------------|------------|------------|
| | 2003 | 2002 | 2003 | 2002 | 2002 |
| External revenues | 204 | 167 | 556 | 500 | 677 |
| Internal revenues | | 2 | 2 | 4 | 5 |
| Gains on disposal | | | | | |
| Total revenues | 204 | 169 | 558 | 504 | 682 |
| EBITDA | 79 | 59 | 207 | 170 | 228 |
| Depreciation and amortization ¹⁾ | 42 | 37 | 118 | 118 | 158 |
| Write-downs | | 2 | | 2 | |
| Operating profit | 37 | 20 | 89 | 50 | 70 |
| ¹⁾ Include amortization of Telenor's net excess values by | 17 | 17 | 49 | 56 | 73 |
| EBITDA/Total revenues (%) | 38.7 | 34.9 | 37.1 | 33.7 | 33.4 |
| Operating profit/Total revenues (%) | 18.1 | 11.8 | 15.9 | 9.9 | 10.3 |
| Investments: | | | | | |
| - Capex | 55 | 39 | 141 | 145 | 181 |
| - Investments in businesses | 1 | | 218 | 2 | 2 |

Measured in Norwegian Kroner, revenues in Fixed Russia increased by 21% compared to the third quarter of 2002, which was an increase of 29% measured in US Dollars. The increase was related to increased voice traffic, increased number of ASDL subscriptions and increased sales of high-speed connections.

The increase in the operating profit was primarily related to the growth in revenues.

In the third quarter an agreement was entered into regarding the sale of the shares in Comincom in exchange for a 19.5% stake in the listed company Golden Telecom, Inc. The transaction is, among other things, dependent on approval by the authorities in both the USA and Russia. The transaction is expected to be completed this year.

Fixed other countries

Fixed Other Countries comprises activities in the Czech Republic and Slovakia. Revenues increased to NOK 41 million compared to NOK 36 million in the third quarter of 2002. EBITDA increased by NOK 10 million to zero in the third quarter of 2003.

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BROADCAST

| (NOK in millions) | 3rd quarter | | First three quarters | | Year |
|--|--------------|--------------|----------------------|--------------|--------------|
| | 2003 | 2002 | 2003 | 2002 | 2002 |
| External revenues | | | | | |
| Distribution | 945 | 778 | 2,728 | 1,303 | 2,148 |
| Transmission | 202 | 211 | 609 | 882 | 1,110 |
| Other | 8 | 18 | 31 | 83 | 108 |
| Total external revenues | 1,155 | 1,007 | 3,368 | 2,268 | 3,366 |
| Internal revenues | 39 | 52 | 122 | 177 | 241 |
| Gains on disposal | 9 | | 20 | | (2) |
| Total revenues | 1,203 | 1,059 | 3,510 | 2,445 | 3,605 |
| EBITDA | 319 | 181 | 850 | 381 | 499 |
| Depreciation and amortization ¹⁾ | 251 | 297 | 792 | 595 | 844 |
| Write-downs ¹⁾ | 5 | 18 | 9 | 20 | 130 |
| Operating profit (loss) | 63 | (134) | 49 | (234) | (475) |
| ¹⁾ Include amortization of Telenor's net excess values by | 67 | 84 | 194 | 121 | 161 |
| EBITDA/Total revenues (%) | 26.5 | 17.1 | 24.2 | 15.6 | 13.8 |
| Investments: | | | | | |
| - Capex | 56 | 74 | 119 | 215 | 384 |
| - Investments in businesses | 4 | 8 | 14 | 2,377 | 2,385 |

Canal Digital was consolidated as of 1 July 2002. The figures for the third quarter in all material respects include the same operations as for the third quarter of 2002, and reflects the development in these operations.

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Broadcast Distribution

| (NOK in millions) | 3rd quarter | | First three quarters | | Year |
|--|-------------|--------------|----------------------|--------------|--------------|
| | 2003 | 2002 | 2003 | 2002 | 2002 |
| Satellite dish | 636 | 515 | 1,826 | 515 | 1,099 |
| Cable-TV | 226 | 191 | 655 | 549 | 742 |
| Small antenna TV-networks | 83 | 77 | 241 | 187 | 252 |
| Other | | (5) | 6 | 52 | 55 |
| Total external revenues | 945 | 778 | 2,728 | 1,303 | 2,148 |
| Internal revenues | 3 | 1 | 9 | 4 | 16 |
| Gains on disposal | 9 | | 20 | | (2) |
| Total revenues | 957 | 779 | 2,757 | 1,307 | 2,162 |
| EBITDA | 174 | 45 | 458 | (5) | 19 |
| Depreciation and amortization ¹⁾ | 189 | 226 | 578 | 372 | 541 |
| Write-downs ¹⁾ | | 7 | 2 | 8 | 56 |
| Operating (loss) | (15) | (188) | (122) | (385) | (578) |
| ¹⁾ Include amortization of Telenor's net excess values by | 67 | 84 | 194 | 120 | 160 |
| EBITDA/Total revenues (%) | 18.2 | 5.8 | 16.6 | (0.4) | 0.9 |
| Investments: | | | | | |
| - Capex | 20 | 43 | 54 | 130 | 235 |
| - Investments in businesses | | | | 2,369 | 2,369 |

Revenues in Distribution increased compared to the third quarter of 2002 due primarily to more subscriptions, foreign currency fluctuations, price increases for cable-TV, and changes in accruals of card fees for satellite dish which showed an effect between the third and fourth quarter in 2002. Gains on disposals were related to sales of local cable TV-networks.

EBITDA in Distribution increased compared to the third quarter of 2002 as a result of increased revenues and the effects of restructuring measures implemented in the fourth quarter of 2002. Towards the end of the third quarter customer acquisition costs increased, and is expected to increase further in the fourth quarter. The reduced EBITDA compared to the second quarter of 2003 was related to the fact that the second quarter was positively affected by items relating to previous periods.

A restructuring and workforce reduction will be carried out in Distribution in the fourth quarter.

Reduced depreciation and amortization compared to the third quarter of 2002 was mainly due to the reallocation of excess values in Canal Digital in the fourth quarter of 2002.

The reduction in capital expenditure compared to the third quarter of 2002 was related to the reduced investments in the network upgrade within cable-TV operations and the development of platforms within interactive TV.

Broadcast Transmission

| (NOK in millions) | 3rd quarter | | First three quarters | | Year |
|-------------------------------------|-------------|------------|----------------------|--------------|--------------|
| | 2003 | 2002 | 2003 | 2002 | 2002 |
| External revenues | 202 | 211 | 609 | 882 | 1,110 |
| Internal revenues | 111 | 147 | 351 | 238 | 347 |
| Gains on disposal | | | | | |
| Total revenues | 313 | 358 | 960 | 1,120 | 1,457 |
| EBITDA | 144 | 148 | 410 | 454 | 581 |
| Depreciation and amortization | 60 | 70 | 206 | 213 | 290 |
| Write-downs | 5 | 11 | 5 | 12 | 41 |
| Operating profit | 79 | 67 | 199 | 229 | 250 |
| EBITDA/Total revenues (%) | 46.0 | 41.3 | 42.7 | 40.5 | 39.9 |
| Operating profit/Total revenues (%) | 25.2 | 18.7 | 20.7 | 20.4 | 17.2 |
| Investments: | | | | | |
| - Capex | 25 | 30 | 51 | 80 | 115 |
| - Investments in businesses | | | | | |

Reduced revenues in Transmission compared to the third quarter of 2002 was related to the reduced sales of analogue transmissions via satellite.

Increased operating profit in Transmission compared to the third quarter 2002 was related to reduced prices on the leasing of satellite capacity, costs reductions and lower depreciation and write-downs, which more than offset reduced revenues. Reduced depreciation and amortization was a result of fully depreciated fixed assets.

Broadcast Other

Reduced external revenues in Broadcast Other compared to the third quarter of 2002 was related to lower sales of access equipment in Conax.

OTHER ACTIVITIES
EDB BUSINESS PARTNER

| (NOK in millions) | 3rd quarter | | First three quarters | | Year |
|--------------------------------|--------------|--------------|----------------------|--------------|--------------|
| | 2003 | 2002 | 2003 | 2002 | 2002 |
| External revenues | 768 | 741 | 2,380 | 2,466 | 3,383 |
| Internal revenues | 240 | 260 | 777 | 748 | 955 |
| Gains on disposal | | | 19 | 1 | 3 |
| Total revenues | 1,008 | 1,001 | 3,176 | 3,215 | 4,341 |
| EBITDA | 11 | 127 | 222 | 266 | 348 |
| Depreciation and amortization | 96 | 96 | 277 | 287 | 393 |
| Write-downs | 6 | | 17 | 4 | 364 |
| Operating profit (loss) | (91) | 31 | (72) | (25) | (409) |
| EBITDA/Total revenues (%) | 1.1 | 12.7 | 7.0 | 8.3 | 8.0 |
| Investments: | | | | | |
| - Capex | 17 | 50 | 145 | 138 | 167 |
| - Investments in businesses | | 1 | 95 | 6 | 88 |

Operations that were transferred to Itworks AS are not included in the figures for EDB Business Partner. This creates a divergence in relation to the figures presented by EDB Business Partner ASA for 2002.

Revenues were on level with the third quarter of 2002. This reflects a relatively flat market development. There was growth within the Operations area related to sales of outsourcing services, while Bank & Finance experienced reductions in software sales. Revenues within Telecom increased as a result of acquired operations. The Consultancy area was wound up as of 1 July 2003. Parts of the operation have been transferred to the other business areas within EDB Business Partner.

In the third quarter of 2003 provisions of NOK 142 million were made for costs for workforce reductions and loss contracts, including estimated losses on property lease contracts. There were no similar charges in the third quarter of 2002. The operating margin (operating profit in per cent of revenues) before the above-mentioned provisions increased as a result of considerable cost savings. In the third quarter of 2003 the Bank & Finance area was reorganized so as to create a more market-oriented organization.

Write-downs of goodwill of NOK 6 million were recorded within Bank & Finance with respect to two smaller items.

Capital expenditure was low in the third quarter of 2003 as a consequence of a generally low level of investment and because two large investments within the Operation area were completed during the first half of the year.

OTHER BUSINESS UNITS

| Revenues (NOK in millions) | 3rd quarter | | First three quarters | | Year |
|--|-------------|--------------|----------------------|--------------|--------------|
| | 2003 | 2002 | 2003 | 2002 | 2002 |
| Satellite Services | 499 | 507 | 1,539 | 1,712 | 2,153 |
| Satellite Networks | 136 | 131 | 404 | 458 | 611 |
| Teleservice | 175 | 176 | 538 | 578 | 756 |
| Nextra International | 3 | 173 | 256 | 565 | 725 |
| Software Services | 13 | 17 | 48 | 86 | 185 |
| Itworks | | | | 188 | 188 |
| Other | 133 | 99 | 364 | 296 | 438 |
| Eliminations | (3) | (5) | (8) | (14) | (16) |
| Revenues | 956 | 1,098 | 3,141 | 3,869 | 5,040 |
| Gains on disposal | 2 | | 16 | | |
| Total revenues | 958 | 1,098 | 3,157 | 3,869 | 5,040 |
| EBITDA | 111 | 29 | 176 | 92 | 178 |
| Depreciation and amortization ¹⁾ | 108 | 125 | 344 | 443 | 582 |
| Write-downs ¹⁾ | | 295 | 14 | 293 | 332 |
| Operating profit (loss) | 3 | (391) | (182) | (644) | (736) |
| ¹⁾ Include amortization and write downs of Telenor's net excess values by | 9 | 14 | 29 | 45 | 99 |
| Operating profit (loss) | | | | | |
| Satellite Services | 55 | 30 | 174 | 90 | 100 |
| Satellite Networks | 3 | 6 | | 27 | 39 |
| Teleservice | (12) | (18) | (2) | (110) | (93) |
| Nextra International | (15) | (50) | (254) | (157) | (260) |
| Software Services | (25) | (340) | (83) | (415) | (372) |
| Itworks | | | | (22) | (23) |
| Other | (3) | (19) | (17) | (57) | (127) |
| Total operating profit (loss) | 3 | (391) | (182) | (644) | (736) |
| Investments: | | | | | |
| - Capex | 39 | 37 | 139 | 136 | 301 |
| - Investments in businesses | 1 | 2 | 17 | 755 | 771 |

Satellite Services

Reduced revenues in Satellite Services compared to the third quarter of 2002 were primarily due to the strengthening of the Norwegian Krone against the US Dollar and reduced sales of low-margin services, partially offset by increased sales of high-speed data traffic and launching of new products.

Increased operating profit compared to the third quarter of 2002 was related to increased sales of high margin products, the discontinuance of costs related to the liquidated Eik-cooperation, as well as the exploitation of synergy effects following the coordination of units.

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Satellite Networks

Increased revenues in Satellite Networks compared to the third quarter of 2002 was primarily related to increased sales connected to contracts in the Norwegian and Slovakian satellite operations, which were partially offset by reduced revenues in Taide and reduced activity in Poland in 2003.

The reduced operating profit compared to the third quarter of 2002 was related to costs connected to the winding up of operations in Poland. Taking this into consideration, the development was positive in terms of increased revenues and lower operating expenses.

Teleservice

Reduced revenues from directory enquiry services compared to the second quarter of 2002 was a consequence of a reduced market share and a general decline in demand for directory enquiry services which were offset by increased revenues from new units in Sweden.

The reduced operating loss compared to the third quarter of 2002 was largely related to lower expenses for workforce reductions. In the third quarter of 2002 a provision of NOK 40 million was made for workforce reductions compared to NOK 18 million during the third quarter of 2003.

Software Services

Reduced revenues compared to the third quarter of 2002 was related to lower sales of software and consultancy services, partly a consequence of the reduced scope of the operation.

In the third quarter of 2002 write-downs of NOK 295 million on CA software were made. Apart from this write-down, the operating loss was reduced compared to the third quarter of 2002 due to lower costs connected to reduced activities and reduced amortizations due to the write-downs in 2002.

CORPORATE FUNCTIONS AND GROUP ACTIVITIES

| (NOK in millions) | 3rd quarter | | First three quarters | | Year |
|-------------------------------|-------------|--------------|----------------------|--------------|--------------|
| | 2003 | 2002 | 2003 | 2002 | 2002 |
| External revenues | 46 | 47 | 158 | 170 | 247 |
| Internal revenues | 472 | 458 | 1,477 | 1,383 | 1,869 |
| Gains on disposal | 11 | 1 | 46 | 116 | 143 |
| Total revenues | 529 | 506 | 1,681 | 1,669 | 2,259 |
| EBITDA | 64 | (66) | 55 | (367) | (569) |
| Depreciation and amortization | 97 | 90 | 283 | 257 | 362 |
| Write-downs | | | | | |
| Operating (loss) | (33) | (156) | (228) | (624) | (931) |
| Investments: | | | | | |
| - Capex | 36 | 198 | 91 | 938 | 1,064 |
| - Investments in businesses | 4 | (1) | 10 | 56 | 56 |

Increased internal revenues from sales of services related to the centralization of accounting functions and moving into new buildings with expanded services were partially offset by reduced revenues from internal outsourcing of personnel since this operation was transferred to Mobile in the third quarter of 2003.

EBITDA increased as a consequence of lower costs in strategic group projects and general cost reductions, reduced expenses for lease of properties and increased gains on sale of properties.

Increased depreciation and amortization and reduced capital expenditure were related to investments in new buildings in 2002.

OTHER PROFIT AND LOSS ITEMS FOR THE GROUP

Depreciation, amortization and write-downs

| (NOK in millions) | 3rd quarter | | First three quarters | | Year |
|---|--------------|--------------|----------------------|--------------|---------------|
| | 2003 | 2002 | 2003 | 2002 | 2002 |
| Depreciation of tangible assets | 2,156 | 2,170 | 6,557 | 6,028 | 8,272 |
| Amortization of goodwill ^{*)} | 119 | 259 | 524 | 743 | 1,002 |
| Amortization of other intangible assets ^{*)} | 304 | 236 | 875 | 578 | 962 |
| Total depreciation and amortization | 2,579 | 2,665 | 7,956 | 7,349 | 10,236 |
| Write-downs of tangible and other intangible assets | 7 | 576 | 60 | 708 | 921 |
| Write-downs of goodwill | 6 | 38 | 16 | 41 | 2,632 |
| Total write-downs | 13 | 614 | 76 | 749 | 3,553 |
| Total depreciation, amortization and write-downs | 2,592 | 3,279 | 8,032 | 8,098 | 13,789 |

^{*)} See specification below.

Compared to the third quarter of 2002 depreciation of tangible assets in the Mobile business area increased by NOK 55 million. The international mobile operations had an increase of NOK 101 million primarily as a result of investments in the subsequent quarters. Mobile's other activities had a reduction as a consequence of lower investments in the subsequent quarters and because some fixed assets were fully depreciated. In the Fixed business area there was a reduction of NOK 48 million. This reduction was related to write-downs undertaken in 2002 and lower investments in the subsequent quarters, which were partially offset by the consolidation of Utfors AB and shorter estimated useful life on certain fixed assets. In the Broadcast business area there was a reduction of NOK 28 million, which was primarily related to lower investments in the subsequent quarters and that some fixed assets were fully depreciated.

^{*)} Specification of amortization of goodwill and other intangible assets (including amortization of Telenor's net excess values¹⁾)

| (NOK in millions) | 3rd quarter | | First three quarters | | Year |
|----------------------|-------------|------------|----------------------|--------------|--------------|
| | 2003 | 2002 | 2003 | 2002 | 2002 |
| DiGi.Com | 34 | 73 | 99 | 235 | 304 |
| Pannon GSM | 227 | 172 | 672 | 465 | 765 |
| Kyivstar | 65 | 15 | 185 | 15 | 87 |
| Other Mobile | 13 | 14 | 39 | 40 | 58 |
| Total Mobile | 339 | 274 | 995 | 755 | 1,214 |
| Fixed | (59) | 37 | (13) | 147 | 193 |
| Broadcast | 71 | 85 | 204 | 120 | 165 |
| EDB Business Partner | 40 | 41 | 115 | 123 | 169 |
| Other units | 32 | 58 | 98 | 176 | 223 |
| Total | 423 | 495 | 1,399 | 1,321 | 1,964 |

¹⁾ Net excess values are the differences between Telenor's acquisition cost and Telenor's share of equity at acquisition of subsidiaries.

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Reduced amortization of goodwill and other intangible assets in DiGi.Com compared to the third quarter of 2002 was related to the write-down of goodwill undertaken in the fourth quarter of 2002. The increase in Pannon GSM was related to the allocation of excess values completed as of 31 December 2002. Kyivstar was consolidated as of 1 September 2002, and consequently amortization in the third quarter of 2003 was higher than in the same quarter in 2002. In Fixed negative goodwill was taken to income in connection with the completion of the allocation of net excess values of Utfors AB in the third quarter of 2003.

Associated companies

| (NOK in millions) | 3rd quarter | | First three quarters | | Year |
|---|-------------|--------------|----------------------|--------------|----------------|
| | 2003 | 2002 | 2003 | 2002 | 2002 |
| Telenors share of ¹⁾ | | | | | |
| Net income after taxes | 222 | 165 | 394 | 443 | 341 |
| Amortization of Telenor's net excess values | (160) | (217) | (481) | (673) | (862) |
| Write-downs of Telenor's excess values | | (74) | (11) | (74) | (1,965) |
| Gains on disposal of ownership interests | | | 1,508 | | 36 |
| Net result from associated companies | 62 | (126) | 1,410 | (304) | (2,450) |

¹⁾ The figures are partly based on management's estimates in connection with the preparation of the consolidated financial statements. The consolidated profit and loss statement contains only the line net result from associated companies. Net excess values are the differences between Telenor's acquisition cost and Telenor's share of equity at acquisition of associated companies

An increased net income after taxes from associated companies compared to the third quarter of 2002 was due to an improved profitability in several companies, of which VimpelCom accounted for the largest improvement.

Reduced amortization of Telenor's net excess values on associated companies compared to the third quarter of 2002 was related to write-downs in 2002 and companies which have become subsidiaries.

Write-downs of excess values in the third quarter of 2002 was primarily related to Otrum.

In October 2003 Telenor was released from the financial guarantee to Svensk Eksportkredit of SEK 331 million related to the associated company Bravida.

Financial items

| (NOK in millions) | 3rd quarter | | First three quarters | | Year |
|------------------------------------|--------------|--------------|----------------------|----------------|----------------|
| | 2003 | 2002 | 2003 | 2002 | 2002 |
| Financial income | 84 | 151 | 413 | 417 | 567 |
| Financial expenses | (444) | (610) | (1,595) | (1,326) | (1,833) |
| Net foreign currency gain (loss) | 41 | 42 | 55 | (164) | (311) |
| Net gains (losses) and write-downs | (38) | (50) | (128) | (95) | (789) |
| Net financial items | (357) | (467) | (1,255) | (1,168) | (2,366) |
| Gross interest expenses | (437) | (637) | (1,593) | (1,437) | (1,901) |
| Net interest expenses | (342) | (516) | (1,258) | (1,089) | (1,425) |

Reduced financial income compared to the third quarter of 2002 was to a large extent due to the lower interest rate in Norway.

In the third quarter of 2003 the financial expenses included a reversal of previously expensed interest of NOK 73 million connected to the dispute with WR Com Enterprises Ltd., discussed under Disputes below. In the third quarter of 2002 and 2003 approximately NOK 75 million was expensed as interest on the tax claim related to Sonofon, discussed under Taxes below. Telenor chose as of 30 September 2003 to pay the tax

claim instead of continuing to provide the guarantee for the claim. Telenor will therefore in subsequent quarters not expense 12 per cent as interest on the claim. Capitalized interest was reduced as a result of general lower investment levels.

Reduced interest expenses compared to the third quarter 2002 were due to lower debt. In addition we are starting to see the effects of lower interest rates.

Net losses and write-downs in the third quarter 2003 were primarily related to write-downs of shares in Venture companies.

Taxes

The income tax rate in Norway is 28%. The effective tax rate for the Telenor group for 2003 is estimated at 32% of profit before taxes and minority interests. The estimated effective tax rate for 2003 increased from 31% in the second quarter of 2003. The settlement with WR Com Enterprises Ltd., discussed below, contributed to reducing estimated tax, which was more than offset by other changes in estimates.

To a large extent, Telenor has not made provisions for tax on retained profits in subsidiaries outside of Norway. If dividends are paid from some of these companies it will result in tax on such dividends.

The effective tax rate for Telenor is higher than the nominal tax rate of 28% due to losses from associated companies and subsidiaries abroad, as well as the amortization of goodwill where deferred tax assets have not been recognized. In 2003 the estimated tax rate was reduced due to the tax loss that is expected to be realized upon liquidation of Telenor Business Solutions UK subsequent to the sale of the operations in the company in July 2003. The estimated tax rate is based on assumptions of the profit for the year, and the actual tax rate for the year may differ from the estimated rate, particularly for changes in the estimates related to the above-mentioned factors, as well as other special conditions. In previous years, the tax rate for Telenor has also been affected by the realization of considerable tax losses. As a result of the challenge of the tax return for 2001, Telenor made a provision and increased its tax expenses in the third quarter of 2002 by NOK 2.4 billion, as such amount was recorded as a reduction in taxes in 2001.

BALANCE SHEET AND CASH FLOW

The reduction in total assets compared to the end of the last quarter was primarily related to depreciation and amortization of fixed assets and intangible assets beyond capital expenditure and a reduction in deferred tax assets as a consequence of the tax expense on the third quarter result.

Net interest-bearing liabilities were reduced by NOK 3.7 billion from the end of the second quarter to NOK 21.6 billion at the end of the third quarter of 2003. The reduction was primarily due to cash flow from operations in excess of investments. The settlement with WR Com Enterprises Ltd. reduced interest-bearing liabilities by approximately NOK 0.3 billion. Currency fluctuations decreased net interest-bearing liabilities measured in Norwegian Kroner by approximately NOK 0.2 billion compared to the second quarter of 2003.

In 2002 Telenor chose to provide a parent company guarantee for a tax claim of NOK 2.4 billion. Due to the significant reduction in short-term interest rates and no corresponding reduction in interest rates on overdue payments, Telenor decided to pay this tax claim on 30 September 2003. The decision to pay the tax claim carries no indication that Telenor has not changed the view that the tax return for 2001 was correct in all respects. The payment has not affected net interest-bearing liabilities, but has reduced gross interest-bearing liabilities and liquid assets.

In the third quarter of 2003 the allocation of net excess values related to the acquisition of the remaining 25% of the shares in Comincom and the acquisition of Utfors AB was finalized. For Comincom the increase in net excess values beyond goodwill has been charged directly to equity by NOK 35 million in accordance with Norwegian GAAP.

Translation adjustments have resulted in a net increase in equity during the third quarter of NOK 252 million, which was primarily related to Pannon GSM as a consequence of the strengthening of the Hungarian Forint against the Norwegian Krone during the quarter.

DISPUTES

In October Telenor agreed to a settlement with WR Com Enterprises Ltd. which entailed Telenor paying WR Com Enterprises Ltd. a total of EUR 33.6 million. The dispute was discussed in note 24 of the annual report for 2002. The settlement stipulates that all legal proceedings are terminated and the previous arrest of Telenor's shares in Cosmote shall be rescinded. As a result of the settlement Telenor reversed accruals of approximately NOK 200 million after taxes, primarily in the profit and loss line items for tax and interest expenses.

In October Telenor received a claim from Sense Communications ASA for repayment for alleged overcharging in the service provider agreement for the period 2000 to 2002. This claim has not yet been quantified. Telenor disputes the claim.

US GAAP

Telenor had net income in accordance with Generally Accepted Accounting Principles in the United States (US GAAP) of NOK 4,177 million in the first nine months of 2003 compared to net income in accordance with Norwegian accounting principles of NOK 3,561 million. The main reason for the difference is that goodwill is not amortized according to US GAAP, but is subject to an annual impairment test.

OUTLOOK

For Telenor as a whole, continued growth is expected in the fourth quarter in revenues and a slight improvement in the EBITDA margin compared to the fourth quarter of 2002. For the year as a whole, this will mean a considerable improvement both in EBITDA and in the operating profit compared to 2002, excluding special items.

For 2003 the level of capital expenditure is expected to be significantly lower than in 2002, in spite of the consolidation of Kyivstar, Canal Digital and Pannon GSM. Increased results and lower capital expenditure are expected to give a significant improvement in Telenor's cash flow from operations (EBITDA-Capex) for 2003 compared to 2002.

For the Norwegian fixed network operations the EBITDA margin in the fourth quarter is expected to be in line with the first nine months of the year. Telenor expects that increased revenues from ADSL will be offset by reduced revenues from traffic and Internet. At the same time, it is expected that wholesale of subscriptions will result in reduced revenues as a result of a shift from end user to wholesale revenues, while other services are expected to have a moderate growth.

For the Norwegian mobile activities continued strong competitive pressure is expected. Telenor will emphasize securing our current market position. The margin development will in the short run be influenced by the competition and the growth in the market.

Telenor will continue to focus on increasing efficiency.

For Telenor's international operations, continued growth in revenues is expected in the fourth quarter compared to the fourth quarter of 2002, but this growth is expected to slow down compared to the growth in the first nine months of 2003 as against the same period in 2002. The markets in some of Telenor's international mobile companies are beginning to mature, and the growth is no longer influenced by the consolidation of new operations. In the separate markets there are different growth and competition, and Telenor seeks to balance the focus on profitability and market share. Compared to the fourth quarter of 2002, it is expected that in the fourth quarter of 2003 the EBITDA margin will improve, but that it will stabilize at a level corresponding approximately to the first nine months of the year.

Based on improved earnings and lower investments, the Board of Telenor will consider to propose for the General Meeting that an increased share of net income is paid as dividend and will consider to repurchase shares according to an authority provided by the General Meeting.

The unaudited interim consolidated financial statements according to Norwegian accounting principles have been prepared on a basis consistent with Telenor's financial statements as of year-end 2002, and in accordance with the Norwegian accounting standard for interim reporting.

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The accounts submitted with the report have not been audited. This report contains statements regarding the future in connection with Telenor's growth initiatives, profit figures, outlook, strategies and objectives. In particular, the section "Outlook" contains forward-looking statements regarding the group's expectations for 2003. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements. These factors include the risk factors relating to Telenor's activities described in Telenor's Annual Report 2002 on Form 20-F filed with the Securities and Exchange Commission in the USA under the headings "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors" (available at www.telenor.com/ir/).

Oslo, 29 October 2003

The Board of Directors of Telenor ASA

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Profit and loss statement**Telenor group**

| (NOK in millions except net income per share) | 3rd quarter | | First three quarters | | Year |
|--|---------------|----------------|----------------------|---------------|----------------|
| | 2003 | 2002 | 2003 | 2002 | 2002 |
| Revenues | 13,469 | 12,209 | 39,218 | 35,666 | 48,668 |
| Gains on disposal of fixed assets and operations | 22 | 1 | 102 | 118 | 158 |
| Total revenues | 13,491 | 12,210 | 39,320 | 35,784 | 48,826 |
| Costs of materials and traffic charges | 3,391 | 3,150 | 9,836 | 9,472 | 12,485 |
| Own work capitalized | (122) | (104) | (398) | (397) | (567) |
| Salaries and personnel costs | 2,148 | 2,325 | 7,011 | 7,380 | 10,104 |
| Other operating expenses | 3,166 | 3,060 | 9,251 | 9,352 | 13,188 |
| Losses on disposal of fixed assets and operations | 16 | 12 | 201 | 98 | 147 |
| Depreciation and amortization | 2,579 | 2,665 | 7,956 | 7,349 | 10,236 |
| Write-downs | 13 | 614 | 76 | 749 | 3,553 |
| Total operating expenses | 11,191 | 11,722 | 33,933 | 34,003 | 49,146 |
| Operating profit (loss) | 2,300 | 488 | 5,387 | 1,781 | (320) |
| Associated companies | 62 | (126) | 1,410 | (304) | (2,450) |
| Net financial items | (357) | (467) | (1,255) | (1,168) | (2,366) |
| Profit (loss) before taxes and minority interests | 2,005 | (105) | 5,542 | 309 | (5,136) |
| Taxes | (676) | (854) | (1,772) | 14 | 480 |
| Minority interests | (48) | (87) | (209) | (45) | 358 |
| Net income (loss) | 1,281 | (1,046) | 3,561 | 278 | (4,298) |
| Net income (loss) per share in NOK - basic and diluted | 0.72 | (0.59) | 2.01 | 0.16 | (2.42) |
| US GAAP | | | | | |
| Net income (loss) | 1,469 | (742) | 4,177 | 1,512 | (3,658) |
| Net income (loss) per share in NOK - basic and diluted | 0.83 | (0.42) | 2.35 | 0.85 | (2.06) |

BALANCE**Telenor group**

| (NOK in millions) | 30.09.2003 | 30.06.2003 | 30.09.2002 | 31.12.2002 |
|---|---------------|---------------|---------------|---------------|
| Deferred tax assets | 3,858 | 4,587 | 3,572 | 4,866 |
| Intangible assets | 14,371 | 14,614 | 18,312 | 15,045 |
| Tangible assets | 38,064 | 39,176 | 40,584 | 41,002 |
| Associated companies | 8,940 | 8,925 | 11,552 | 9,489 |
| Other financial assets | 4,914 | 4,640 | 4,379 | 3,760 |
| Total fixed assets | 70,147 | 71,942 | 78,399 | 74,162 |
| Other current assets | 10,659 | 10,732 | 11,020 | 9,772 |
| Cash and interest-bearing investments | 5,614 | 5,305 | 3,688 | 5,524 |
| Total current assets | 16,273 | 16,037 | 14,708 | 15,296 |
| Total assets | 86,420 | 87,979 | 93,107 | 89,458 |
| Paid-in equity | 29,285 | 29,285 | 29,266 | 29,285 |
| Other equity | 10,794 | 9,548 | 12,633 | 7,268 |
| Cumulative translation adjustments | (2,299) | (2,551) | (2,266) | (2,868) |
| Shareholders equity | 37,780 | 36,282 | 39,633 | 33,685 |
| Minority interests | 3,699 | 3,725 | 3,865 | 3,603 |
| Total equity and minority interests | 41,479 | 40,007 | 43,498 | 37,288 |
| | 1,543 | 1,557 | 1,419 | 1,176 |
| Long-term interest-bearing liabilities | 26,580 | 27,352 | 28,027 | 28,805 |
| Long-term non-interest-bearing liabilities | 989 | 616 | 547 | 473 |
| Total long-term liabilities | 27,569 | 27,968 | 28,574 | 29,278 |
| Short-term interest-bearing liabilities | 618 | 3,270 | 3,306 | 3,591 |
| Short-term non-interest-bearing liabilities | 15,211 | 15,177 | 16,310 | 18,125 |
| Total current assets | 15,829 | 18,447 | 19,616 | 21,716 |
| Total assets | 86,420 | 87,979 | 93,107 | 89,458 |
| USGAAP | | | | |
| Shareholders equity | 41,188 | 39,365 | 41,539 | 35,799 |

CHANGE IN SHAREHOLDERS EQUITY

| (NOK in millions) | 01.01.2003 - 30.09.2003 | 01.01.2003 - 30.06.2003 | 01.01.2002 - 30.09.2002 | 01.01.2002 31.12.2002 |
|-------------------|----------------------------|----------------------------|----------------------------|--------------------------|
|-------------------|----------------------------|----------------------------|----------------------------|--------------------------|

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| | | | | |
|-------------------------------------|---------------|---------------|---------------|---------------|
| Shareholders equity as of 1 January | 33,685 | 33,685 | 42,144 | 42,144 |
| Net income | 3,561 | 2,280 | 278 | (4,298) |
| Dividends | | | | (799) |
| Employee share issue | | | | 19 |
| Consolidation Canal Digital | | | (668) | (658) |
| Acquisition Comincom | (35) | | | |
| Translation adjustments | 569 | 317 | (2,121) | (2,723) |
| Shareholders equity | 37,780 | 36,282 | 39,633 | 33,685 |

CASH FLOW STATEMENT**Telenor group**

| (NOK in millions) | First three quarters | | Year |
|--|----------------------|-----------------|-----------------|
| | 2003 | 2002 | 2002 |
| Profit before taxes and minority interests | 5,542 | 309 | (5,136) |
| Taxes paid | (2,882) | (1,366) | (2,050) |
| Net (gains) losses including write-downs of financial items | 227 | 75 | 778 |
| Depreciation, amortization and write-downs | 8,032 | 8,098 | 13,789 |
| Associated companies | (1,410) | 304 | 2,450 |
| Difference between expensed and paid pensions | (154) | 147 | 359 |
| Currency (gains) losses not relating to operating activities | (49) | 142 | 391 |
| Change in other accruals | (545) | 911 | 2,277 |
| Net cash flow from operating activities | 8,761 | 8,620 | 12,858 |
| Payments on purchase of tangible and intangible assets | (4,159) | (6,144) | (9,098) |
| Payments on purchase of subsidiaries and associated companies, net of cash received | (235) | (11,746) | (12,232) |
| Proceeds from sale of tangible and intangible assets and businesses, net of cash payed | 2,515 | 315 | 401 |
| Proceeds from sale of and payments for other investments | 8 | (765) | (798) |
| Net cash flow from investment activities | (1,871) | (18,340) | (21,727) |
| Proceeds and payments interest-bearing liabilities | (6,069) | 8,093 | 9,062 |
| Proceeds from issuance of shares including from minorities in subsidiaries | 29 | 75 | 200 |
| Payment of dividends | (799) | (621) | (621) |
| Net cash flow from financing activities | (6,839) | 7,547 | 8,641 |
| Effect on cash and cash equivalents of changes in foreign exchange rates | 42 | (190) | (347) |
| Net change in cash and cash equivalents | 93 | (2,363) | (575) |
| Cash and cash equivalents 01.01. | 5,264 | 5,839 | 5,839 |
| Cash and cash equivalents by the end of the period | 5,357 | 3,476 | 5,264 |

ANALYTICAL INFORMATION

| | 2001 | | | |
|---|--------|--------|---------|--------|
| | Q1 | Q2 | Q3 | Q4 |
| Revenues (NOK in millions) | 10,001 | 10,055 | 10,064 | 15,920 |
| EBITDA excluding gains and losses (NOK in millions) | 2,293 | 2,201 | 2,096 | 2,287 |
| Operating profit (loss) (NOK in millions) | 986 | (309) | (1,912) | 4,412 |
| Profit (loss) before taxes and minority interests (NOK in millions) | 10,666 | 1,428 | (2,547) | 708 |
| Equity ratio including minority interests (%) | 51.9 | 51.5 | 55.1 | 55.3 |
| Net interest bearing liabilities (NOK in millions) | 20,502 | 10,866 | 16,358 | 13,171 |
| Net interest bearing liabilities/EBITDA excluding gains and losses last 12 months | 2.3 | 1.2 | 2.0 | 1.5 |
| Capex (NOK in millions) | 2,395 | 2,666 | 2,724 | 3,849 |
| Investments in businesses (NOK in millions) | 714 | 999 | 4,218 | 1,281 |
| No. of man-years | 20,450 | 21,300 | 23,200 | 21,000 |
| - of which abroad | 5,300 | 5,900 | 7,600 | 6,300 |
| MOBILE | | | | |
| Telenor Mobil (Norway) | | | | |
| No. of mobile subscriptions (NMT + GSM) (in thousands) | 2,189 | 2,233 | 2,289 | 2,307 |
| No. of GSM subscriptions (in thousands) | 2,098 | 2,147 | 2,211 | 2,237 |
| - of which prepaid (in thousands) | 938 | 969 | 1,023 | 1,027 |
| Traffic minutes per GSM subscription per month, generated and terminated | 171 | 175 | 182 | 177 |
| Average revenue per GSM subscription per month in the quarter (ARPU): | 333 | 337 | 357 | 331 |
| - of which contract | 479 | 492 | 526 | 479 |
| - of which prepaid | 152 | 146 | 159 | 159 |
| No. of SMS and content messages (in millions) | 315 | 323 | 359 | 376 |
| Pannon (Hungary) | | | | |
| No. of mobile subscriptions (in thousands) | | | | |
| - of which prepaid (in thousands) | | | | |
| Traffic minutes per GSM subscription per month, generated and terminated | | | | |
| Average revenue per GSM subscription per month in the quarter (ARPU): | | | | |
| - of which contract | | | | |
| - of which prepaid | | | | |
| DiGi.Com (Malaysia) | | | | |
| No. of mobile subscriptions (100% in thousands) | | | | 1,039 |
| - of which prepaid (100% in thousands) | | | | 902 |
| Traffic minutes per GSM subscription per month, generated and terminated | | | | 204 |
| Average revenue per GSM subscription per month in the quarter (ARPU): | | | | 180 |
| - of which contract | | | | 265 |
| - of which prepaid | | | | 166 |
| Grameen Phone (Bangladesh) | | | | |
| No. of mobile subscriptions (100% in thousands) | 242 | 335 | 373 | 464 |
| - of which prepaid (100% in thousands) | 77 | 149 | 190 | 279 |
| Traffic minutes per GSM subscription per month, generated and terminated | 335 | 302 | 333 | 292 |
| Average revenue per GSM subscription per month in the quarter (ARPU): | 226 | 203 | 204 | 173 |
| - of which contract | 275 | 277 | 282 | 259 |
| - of which prepaid | 109 | 88 | 119 | 106 |
| Kyivstar (Ukraine) | | | | |
| No. of mobile subscriptions (100% in thousands) | | | | |
| - of which prepaid (100% in thousands) | | | | |
| Traffic minutes per GSM subscription per month, generated and terminated | | | | |
| Average revenue per GSM subscription per month in the quarter (ARPU): | | | | |
| - of which contract | | | | |
| - of which prepaid | | | | |
| Associated companies | | | | |
| No. of mobile subscriptions (100% in thousands) | 10,503 | 10,662 | 10,968 | 12,809 |
| FIXED - Norway | | | | |
| Retail market | | | | |

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| | | | | |
|--|-------|-------|-------|-------|
| No. of PSTN subscriptions (in thousands) | 1,646 | 1,619 | 1,573 | 1,545 |
| No. of ISDN subscriptions (lines in thousands) | 1,664 | 1,701 | 1,727 | 1,766 |
| PSTN/ISDN generated traffic (mill. minutes) | 5,177 | 4,736 | 4,367 | 4,805 |
| Market share of PSTN/ISDN generated traffic (%) | 73 | 73 | 73 | 73 |
| No. of internet subscriptions residential market Norway (in thousands) | 683 | 718 | 757 | 831 |
| - of which Frisurf (in thousands) | 305 | 343 | 386 | 437 |
| - of which ADSL (in thousands) | 3 | 5 | 11 | 23 |
| No. of internet subscriptions business market Norway (in thousands) | 13 | 15 | 15 | 16 |
| - of which ADSL (in thousands) | | | | 1 |

BROADCAST

| | | | | |
|--|-------|-------|-------|-------|
| No. of television subscribers in the Nordic region | | | | |
| - Subscribers with satellite dish (in thousands) | 439 | 478 | 506 | 569 |
| - Cable TV subscribers (in thousands) | 362 | 362 | 367 | 561 |
| - Households in small antenna TV-networks (in thousands) | 1,237 | 1,112 | 1,147 | 1,193 |

[Additional columns below]

[Continued from above table, first column(s) repeated]

| | 2002 | | | |
|---|--------|--------|--------|---------|
| | Q1 | Q2 | Q3 | Q4 |
| Revenues (NOK in millions) | 11,563 | 12,011 | 12,210 | 13,042 |
| EBITDA excluding gains and losses (NOK in millions) | 2,926 | 3,155 | 3,778 | 3,599 |
| Operating profit (loss) (NOK in millions) | 602 | 691 | 488 | (2,101) |
| Profit (loss) before taxes and minority interests (NOK in millions) | 31 | 383 | (105) | (5,445) |
| Equity ratio including minority interests (%) | 49.4 | 48.2 | 46.7 | 41.7 |
| Net interest bearing liabilities (NOK in millions) | 24,449 | 25,717 | 27,645 | 26,872 |
| Net interest bearing liabilities/EBITDA excluding gains and losses last 12 months | 2.6 | 2.5 | 2.3 | 2.0 |
| Capex (NOK in millions) | 1,879 | 2,161 | 2,169 | 2,680 |
| Investments in businesses (NOK in millions) | 8,875 | 2,271 | 493 | 772 |
| No. of man-years | 22,250 | 21,650 | 22,350 | 22,100 |
| - of which abroad | 7,700 | 7,800 | 8,600 | 8,900 |

MOBILE

| Telenor Mobil (Norway) | | | | |
|--|-------|-------|-------|-------|
| No. of mobile subscriptions (NMT + GSM) (in thousands) | 2,314 | 2,360 | 2,409 | 2,382 |
| No. of GSM subscriptions (in thousands) | 2,249 | 2,299 | 2,352 | 2,330 |
| - of which prepaid (in thousands) | 1,051 | 1,094 | 1,131 | 1,115 |
| Traffic minutes per GSM subscription per month, generated and terminated | 171 | 185 | 186 | 178 |
| Average revenue per GSM subscription per month in the quarter (ARPU): | 334 | 351 | 359 | 340 |
| - of which contract | 481 | 511 | 528 | 492 |
| - of which prepaid | 162 | 168 | 171 | 170 |
| No. of SMS and content messages (in millions) | 391 | 403 | 444 | 454 |
| Pannon (Hungary) | | | | |
| No. of mobile subscriptions (in thousands) | 2,001 | 2,146 | 2,311 | 2,450 |
| - of which prepaid (in thousands) | 1,446 | 1,596 | 1,767 | 1,910 |
| Traffic minutes per GSM subscription per month, generated and terminated | 113 | 115 | 112 | 112 |
| Average revenue per GSM subscription per month in the quarter (ARPU): | 182 | 184 | 177 | 177 |
| - of which contract | 383 | 391 | 401 | 415 |
| - of which prepaid | 97 | 98 | 94 | 100 |
| DiGi.Com (Malaysia) | | | | |
| No. of mobile subscriptions (100% in thousands) | 1,159 | 1,284 | 1,454 | 1,616 |
| - of which prepaid (100% in thousands) | 1,044 | 1,176 | 1,351 | 1,519 |
| Traffic minutes per GSM subscription per month, generated and terminated | 197 | 189 | 185 | 185 |
| Average revenue per GSM subscription per month in the quarter (ARPU): | 169 | 158 | 138 | 145 |
| - of which contract | 313 | 331 | 312 | 352 |
| - of which prepaid | 150 | 142 | 124 | 131 |
| Grameen Phone (Bangladesh) | | | | |
| No. of mobile subscriptions (100% in thousands) | 550 | 625 | 704 | 769 |

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| | | | | |
|--|--------|--------|--------|--------|
| - of which prepaid (100% in thousands) | 353 | 424 | 501 | 563 |
| Traffic minutes per GSM subscription per month, generated and terminated | 308 | 297 | 288 | 298 |
| Average revenue per GSM subscription per month in the quarter (ARPU): | 191 | 173 | 167 | 155 |
| - of which contract | 311 | 297 | 286 | 303 |
| - of which prepaid | 118 | 104 | 100 | 95 |
| Kyivstar (Ukraine) | | | | |
| No. of mobile subscriptions (100% in thousands) | | | 1,659 | 1,856 |
| - of which prepaid (100% in thousands) | | | 1,283 | 1,472 |
| Traffic minutes per GSM subscription per month, generated and terminated | | | 50 | 49 |
| Average revenue per GSM subscription per month in the quarter (ARPU): | | | 113 | 102 |
| - of which contract | | | 194 | 202 |
| - of which prepaid | | | 73 | 70 |
| Associated companies | | | | |
| No. of mobile subscriptions (100% in thousands) | 12,424 | 14,425 | 14,814 | 16,116 |
| FIXED - Norway | | | | |
| Retail market | | | | |
| No. of PSTN subscriptions (in thousands) | 1,522 | 1,497 | 1,480 | 1,467 |
| No. of ISDN subscriptions (lines in thousands) | 1,803 | 1,818 | 1,818 | 1,828 |
| PSTN/ISDN generated traffic (mill. minutes) | 4,702 | 4,392 | 3,864 | 4,387 |
| Market share of PSTN/ISDN generated traffic (%) | 73 | 73 | 73 | 72 |
| No. of internet subscriptions residential market Norway (in thousands) | 893 | 915 | 936 | 960 |
| - of which Frisurf (in thousands) | 481 | 503 | 525 | 533 |
| - of which ADSL (in thousands) | 42 | 53 | 64 | 90 |
| No. of internet subscriptions business market Norway (in thousands) | 17 | 17 | 16 | 17 |
| - of which ADSL (in thousands) | 1 | 2 | 3 | 4 |
| BROADCAST | | | | |
| No. of television subscribers in the Nordic region | | | | |
| - Subscribers with satellite dish (in thousands) | 614 | 646 | 664 | 701 |
| - Cable TV subscribers (in thousands) | 557 | 559 | 561 | 571 |
| - Households in small antenna TV-networks (in thousands) | 1,140 | 1,126 | 1,129 | 1,133 |

[Additional columns below]

[Continued from above table, first column(s) repeated]

| | Q1 | 2003 Q2 | Q3 |
|---|--------|------------|--------|
| Revenues (NOK in millions) | 12,606 | 13,223 | 13,491 |
| EBITDA excluding gains and losses (NOK in millions) | 4,184 | 4,448 | 4,886 |
| Operating profit (loss) (NOK in millions) | 1,475 | 1,612 | 2,300 |
| Profit (loss) before taxes and minority interests (NOK in millions) | 1,047 | 2,490 | 2,005 |
| Equity ratio including minority interests (%) | 42.6 | 45.5 | 48.0 |
| Net interest bearing liabilities (NOK in millions) | 26,139 | 25,317 | 21,584 |
| Net interest bearing liabilities/EBITDA excluding gains and losses last 12 months | 1.8 | 1.6 | 1.3 |
| Capex (NOK in millions) | 1,230 | 1,314 | 1,460 |
| Investments in businesses (NOK in millions) | 23 | 268 | 9 |
| No. of man-years | 21,200 | 21,150 | 20,300 |
| - of which abroad | 8,700 | 8,700 | 8,100 |
| MOBILE | | | |
| Telenor Mobil (Norway) | | | |
| No. of mobile subscriptions (NMT + GSM) (in thousands) | 2,342 | 2,330 | 2,364 |
| No. of GSM subscriptions (in thousands) | 2,294 | 2,285 | 2,324 |
| - of which prepaid (in thousands) | 1,093 | 1,091 | 1,120 |
| Traffic minutes per GSM subscription per month, generated and terminated | 178 | 190 | 195 |
| Average revenue per GSM subscription per month in the quarter (ARPU): | 330 | 346 | 354 |
| - of which contract | 480 | 501 | 519 |
| - of which prepaid | 163 | 172 | 174 |
| No. of SMS and content messages (in millions) | 452 | 462 | 500 |

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| | | | |
|--|--------|--------|--------|
| Pannon (Hungary) | | | |
| No. of mobile subscriptions (in thousands) | 2,514 | 2,514 | 2,564 |
| - of which prepaid (in thousands) | 1,989 | 1,981 | 2,019 |
| Traffic minutes per GSM subscription per month, generated and terminated | 104 | 110 | 113 |
| Average revenue per GSM subscription per month in the quarter (ARPU): | 153 | 165 | 170 |
| - of which contract | 386 | 414 | 416 |
| - of which prepaid | 86 | 92 | 97 |
| DiGi.Com (Malaysia) | | | |
| No. of mobile subscriptions (100% in thousands) | 1,803 | 1,946 | 2,055 |
| - of which prepaid (100% in thousands) | 1,708 | 1,850 | 1,953 |
| Traffic minutes per GSM subscription per month, generated and terminated | 177 | 175 | 177 |
| Average revenue per GSM subscription per month in the quarter (ARPU): | 123 | 111 | 117 |
| - of which contract | 331 | 336 | 367 |
| - of which prepaid | 112 | 100 | 105 |
| Grameen Phone (Bangladesh) | | | |
| No. of mobile subscriptions (100% in thousands) | 835 | 928 | 1,047 |
| - of which prepaid (100% in thousands) | 631 | 725 | 820 |
| Traffic minutes per GSM subscription per month, generated and terminated | 309 | 312 | 328 |
| Average revenue per GSM subscription per month in the quarter (ARPU): | 133 | 136 | 143 |
| - of which contract | 283 | 295 | 337 |
| - of which prepaid | 81 | 89 | 90 |
| Kyivstar (Ukraine) | | | |
| No. of mobile subscriptions (100% in thousands) | 2,012 | 2,205 | 2,512 |
| - of which prepaid (100% in thousands) | 1,614 | 1,768 | 2,037 |
| Traffic minutes per GSM subscription per month, generated and terminated | 43 | 52 | 59 |
| Average revenue per GSM subscription per month in the quarter (ARPU): | 81 | 92 | 106 |
| - of which contract | 167 | 176 | 204 |
| - of which prepaid | 54 | 66 | 74 |
| Associated companies | | | |
| No. of mobile subscriptions (100% in thousands) | 17,158 | 15,105 | 17,035 |
| FIXED - Norway | | | |
| Retail market | | | |
| No. of PSTN subscriptions (in thousands) | 1,449 | 1,427 | 1,381 |
| No. of ISDN subscriptions (lines in thousands) | 1,816 | 1,800 | 1,755 |
| PSTN/ISDN generated traffic (mill. minutes) | 4,268 | 3,876 | 3,454 |
| Market share of PSTN/ISDN generated traffic (%) | 70 | 70 | 69 |
| No. of internet subscriptions residential market Norway (in thousands) | 982 | 988 | 1,004 |
| - of which Frisurf (in thousands) | 553 | 560 | 564 |
| - of which ADSL (in thousands) | 114 | 124 | 139 |
| No. of internet subscriptions business market Norway (in thousands) | 17 | 22 | 25 |
| - of which ADSL (in thousands) | 7 | 10 | 11 |
| BROADCAST | | | |
| No. of television subscribers in the Nordic region | | | |
| - Subscribers with satellite dish (in thousands) | 713 | 708 | 726 |
| - Cable TV subscribers (in thousands) | 575 | 590 | 594 |
| - Households in small antenna TV-networks (in thousands) | 1,130 | 1,049 | 1,100 |

Special items

| (NOK in millions) | 3rd quarter | | First three quarters | | Year |
|---|--------------|--------------|----------------------|---------------|---------------|
| | 2003 | 2002 | 2003 | 2002 | 2002 |
| EBITDA | 4,892 | 3,767 | 13,419 | 9,879 | 13,469 |
| Gains on disposal of fixed assets and operations | (22) | (1) | (102) | (118) | (158) |
| Losses on disposal of fixed assets and operations | 16 | 12 | 201 | 98 | 147 |
| EBITDA excluding gains and losses | 4,886 | 3,778 | 13,518 | 9,859 | 13,458 |
| Expenses for workforce reductions, loss contracts and exit from activities | | | | | |
| Mobile | (7) | | (21) | 6 | 120 |
| Fixed | (28) | 66 | (24) | 118 | 311 |
| Broadcast | (3) | 13 | 2 | 17 | 65 |
| EDB Business Partner | 142 | | 199 | 49 | 111 |
| Other business units | 19 | 26 | 32 | 130 | 122 |
| Corporate functions and Group activities | (5) | | 16 | 190 | 272 |
| Eliminations | | 8 | | 8 | 47 |
| Total workforce reductions, loss contracts and exit from activities | 118 | 113 | 204 | 518 | 1,048 |
| Adjusted EBITDA | 5,004 | 3,891 | 13,722 | 10,377 | 14,506 |
| Write-downs | | | | | |
| Mobile | 2 | | 29 | 113 | 2,289 |
| Fixed | | 351 | 7 | 369 | 500 |
| Broadcast | 5 | 18 | 9 | 20 | 130 |
| EDB Business Partner | 6 | | 17 | 4 | 364 |
| Other business units | | 295 | 14 | 293 | 332 |
| Corporate functions and Group activities | | | | | |
| Eliminations | | (50) | | (50) | (62) |
| Total write-downs | 13 | 614 | 76 | 749 | 3,553 |
| Adjusted operating profit | 2,425 | 1,226 | 5,766 | 3,028 | 4,270 |
| Special items associated companies | | | | | |
| (Gains) losses on disposal of ownership interests | | | (1,508) | | (36) |
| Write-down Sonofon | | | | | 1,000 |
| Write-down DTAC/UCOM | | | | | 881 |
| Write-down Oniway | | | | | 316 |
| Other write-downs associated companies | | 74 | | 74 | 84 |
| Total special items associated companies | | 74 | (1,508) | 74 | 2,245 |
| Net (gains) losses and write-downs financial items | 38 | 50 | 128 | 95 | 789 |
| Adjusted profit (loss) before taxes and minority interests | 2,168 | 757 | 4,541 | 1,725 | 2,488 |

Reconciliations

| (NOK in millions) | 3rd quarter | | First three quarters | | Year |
|--|--------------|--------------|----------------------|---------------|----------------|
| | 2003 | 2002 | 2003 | 2002 | 2002 |
| Operating profit (loss) | 2,300 | 488 | 5,387 | 1,781 | (320) |
| Depreciation and amortization | 2,579 | 2,665 | 7,956 | 7,349 | 10,236 |
| Write-downs | 13 | 614 | 76 | 749 | 3,553 |
| EBITDA | 4,892 | 3,767 | 13,419 | 9,879 | 13,469 |
| Net (gains) losses on disposal of fixed assets and operations | (6) | 11 | 99 | (20) | (11) |
| EBITDA excluding gains and losses | 4,886 | 3,778 | 13,518 | 9,859 | 13,458 |
| Expenses for workforce reductions, loss contracts and exit of activities | 118 | 113 | 204 | 518 | 1,048 |
| Adjusted EBITDA | 5,004 | 3,891 | 13,722 | 10,377 | 14,506 |
| Operating profit (loss) | 2,300 | 488 | 5,387 | 1,781 | (320) |
| Write-downs | 13 | 614 | 76 | 749 | 3,553 |
| Net (gains) losses on disposal of fixed assets and operations | (6) | 11 | 99 | (20) | (11) |
| Expenses for workforce reductions, loss contracts and exit of activities | 118 | 113 | 204 | 518 | 1,048 |
| Adjusted operating profit | 2,425 | 1,226 | 5,766 | 3,028 | 4,270 |
| Associated companies | 62 | (126) | 1,410 | (304) | (2,450) |
| Total special items associated companies | | 74 | (1,508) | 74 | 2,245 |
| Adjusted associated companies | 62 | (52) | (98) | (230) | (205) |
| Profit (loss) before taxes and minority interests | 2,005 | (105) | 5,542 | 309 | (5,136) |
| Write-downs | 13 | 614 | 76 | 749 | 3,553 |
| Net (gains) losses on disposal of fixed assets and operations | (6) | 11 | 99 | (20) | (11) |
| Expenses for workforce reductions, loss contracts and exit of activities | 118 | 113 | 204 | 518 | 1,048 |
| Special items associated companies | | 74 | (1,508) | 74 | 2,245 |
| Net (gains) losses and write-downs financial items | 38 | 50 | 128 | 95 | 789 |
| Adjusted profit before taxes and minority interests | 2,168 | 757 | 4,541 | 1,725 | 2,488 |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Telenor ASA

By:
Name: Torstein Moland (sign.)
Title: CFO

Date: 30th October, 2003