

TELENOR ASA
Form 6-K
February 17, 2005

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**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: 16th February, 2005, for 4th Quarter, 2004

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):

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| | | | | |
|---------------------------------|----------------|-------|-------|------|
| TELENOR ASA FOURTH QUARTER 2004 | delårsresultat | o282K | o276K | o62K |
| TEL RESULTS | | | | o60K |

Telenor`s revenues excluding gains increased by 14.2% to NOK 15.6 billion. EBITDA was NOK 4,519 million. Adjusted for special items, EBITDA was NOK 5,075 million. The EBITDA margin adjusted for special items was 32.5%. The operating loss was NOK 1,019 million. Adjusted for special items operating profit was NOK 2,087 million. Capex was NOK 4,122 million. Net debt was NOK 19.2 billion. The board will propose a dividend of NOK 1.50 per share for 2004

Telenor`s revenues excluding gains increased by 14.2% to NOK 15.6 billion. Several markets experienced high subscription growth, which led to record high 2.4 million new mobile subscriptions for Telenor. In Norway, there was a positive development in number of new mobile and ADSL subscriptions. This is a good basis for further improvement in profits. The moderate growth in adjusted EBITDA is a result of the strong focus on strengthening market positions and a weak quarter in Sonofon. The results in the fourth quarter of 2004 were strongly affected by a provision for a loss contract in Telenor Mobile Sweden and the write-downs related to Sonofon.

EBITDA was NOK 4,519 million, which is NOK 364 million lower than the fourth quarter of 2003. Adjusted for special items, EBITDA increased by NOK 211 million to NOK 5,075 million. The EBITDA margin adjusted for special items was 32.5%.

The operating loss was NOK 1,019 million, which is NOK 3,192 million lower than the fourth quarter of 2003. Operating loss was affected by write-downs related to Sonofon of NOK 2.4 billion. Adjusted for special items operating profit was NOK 2,087 million, which is NOK 136 million lower than the fourth quarter of 2003. Loss before taxes and minority interests was NOK 1,154 million, which is NOK 3,038 million lower than the fourth quarter of 2003. Adjusted for special items profit before taxes and minority interests increased by NOK 256 million to NOK 2,004 million. Earnings per share (EPS) was NOK - 0.22 compared to NOK 0.56 in the fourth quarter of 2003. The number of mobile subscriptions in consolidated operations increased by a total of 2.4 million during the fourth quarter of 2004 to 19.0 million compared to an increase of 0.9 million in the corresponding quarter last year. In the fourth quarter 2004, the number of subscriptions in companies in which Telenor has ownership interests increased by 7.5 million to 52.7 million at the end of 2004. Revenues in Mobile increased by NOK 2,344 million or 37.1% to NOK 8,655 million. EBITDA decreased by NOK 155 million to NOK 2,339 million due to the strong market focus and provision for a loss contract in Telenor Mobile Sweden.

During the fourth quarter of 2004, Telenor Mobil Norway increased the number of GSM subscriptions by 87,000. Telenor`s estimated market share for mobile services in Norway was stable at 56% measured in number of subscriptions. Telenor Mobil launched third generation mobile services (UMTS) on December 1, 2004, as the first operator in Norway.

In Fixed-Norway, revenues adjusted for disposal of operations and special items decreased by 2.1%. Adjusted EBITDA margin was 35.8%, which was in line with the fourth quarter of 2003. Operating profit increased by NOK 131

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million to NOK 699 million. The market share for fixed line telephony in Norway measured in traffic minutes has been stable at 69% from the end of 2003. The number of ADSL subscriptions had a strong increase in the fourth quarter of a total of 56,000 to 326,000.

In Broadcast, the number of subscribers with satellite dish at the end of 2004 was 824,000 in the Nordic area. EBITDA in the fourth quarter of 2004 was NOK 333 million. Capital expenditure was NOK 4,122 million compared to NOK 2,450 million in the fourth quarter of 2003. This was primarily a consequence of increased network investments in Mobile due to strong subscriber growth and Pannon GSM's purchase of a UMTS license in Hungary.

Net interest-bearing liabilities were NOK 19.2 billion, a decrease of NOK 1.4 billion from the third quarter of 2004. Profit before taxes and minority interests for the year 2004 was NOK 8.8 billion compared to NOK 7.4 billion in 2003. Adjusted for special items, there was an increase of NOK 3.0 billion to NOK 9.3 billion in 2004. This was primarily due to increased operating profit, adjusted for special items, in all business areas. In addition, net result from associated companies and net financial items, adjusted for special items, grew. Capital expenditure in 2004 amounted to NOK 12.7 billion, which was an increase of NOK 6.3 billion. The increase is primarily related to increased investments in network capacity of international mobile operations due to strong growth in the number of subscriptions. In addition, capital expenditure in 2004 included the purchase of a licence for mobile telephony in Pakistan and a UMTS licence in Hungary at a total cost of NOK 2.4 billion and the purchase of an ownership interest in a satellite of NOK 0.6 billion in Broadcast. The board will propose a dividend of NOK 1.50 per share for 2004, an increase from NOK 1.00 per share in 2003. In order to simplify and strengthen Telenor's position in the Nordic market, a separate Nordic management entity was established effective 26 January 2005, which comprise the mobile and fixednetwork activities.

On 28 January 2005, Telenor sold 6.9 million shares in Intelsat for a price of 18.75 US Dollar per share. The sale resulted in a gain before taxes of NOK 403 million.

OUTLOOK

The strong growth in revenues and subscriptions during 2004 gives Telenor a good basis for further improvement of profits. A continued high growth in revenue and EBITDA is expected, in particular driven by the international mobile operations. Telenor will continue previously implemented cost efficiency activities and identify new initiatives. This will compensate for intensified competition and costs related to new operations. High capital expenditure is expected for 2005, in which capital expenditure in proportion of revenues is expected to be in line with or slightly exceed 2004. Capital expenditure is driven by considerable network investments in Kyivstar, Telenor Pakistan, GrameenPhone and DiGi.Com. In addition, we expect further UMTS investments.

For Telenor's mobile operations, a high growth in revenues and EBITDA is expected to continue in 2005. We will implement cost reductions and improvements, in particular within our Nordic operations.

In Fixed-Norway, revenue and EBITDA is anticipated to slightly decrease. The strong growth in the number of ADSL subscriptions is expected to continue. This fact, in addition to increased revenues from wholesale, does not

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fully offset decreased revenues from PSTN/ISDN. In Broadcast and other units, we expect EBITDA to improve in 2005 compared to 2004.

A continuously increasing share of Telenor`s revenues and profits come from operations outside Norway. Currency fluctuations will to an increasing extent influence the reported figures in Norwegian Krone. Political risk, including regulatory conditions, might also influence the profits.

Telenor anticipates that profits exclusive special items, overall will grow in 2005 compared to 2004.

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SIGNATURES

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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: 16th February, 2005

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FOURTH QUARTER OF 2004

The fourth quarter of 2004 showed a growth in revenues excluding gains for the Telenor Group of 14.2% to NOK 15.6 billion compared to the fourth quarter of 2003. Loss before taxes and minority interests was NOK 1.2 billion.

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Telenor ASA fourth quarter of 2004

KEY POINTS FROM THE FOURTH QUARTER OF 2004 COMPARED TO THE FOURTH QUARTER OF 2003

Telenor's revenues excluding gains increased by 14.2% to NOK 15.6 billion. Several markets experienced high subscription growth, which led to record high 2.4 million new mobile subscriptions for Telenor. In Norway, there was a positive development in number of new mobile and ADSL subscriptions. This is a good basis for further improvement in profits. The moderate growth in adjusted EBITDA is a result of the strong focus on strengthening market positions and a weak quarter in Sonofon. The results in the fourth quarter of 2004 were strongly affected by a provision for a loss contract in Telenor Mobile Sweden and the write-downs related to Sonofon.

EBITDA was NOK 4,519 million, which is NOK 364 million lower than the fourth quarter of 2003. Adjusted for special items *), EBITDA increased by NOK 211 million to NOK 5,075 million. The EBITDA margin adjusted for special items was 32.5%.

The operating loss was NOK 1,019 million, which is NOK 3,192 million lower than the fourth quarter of 2003. Operating loss was affected by write-downs related to Sonofon of NOK 2.4 billion. Adjusted for special items operating profit was NOK 2,087 million, which is NOK 136 million lower than the fourth quarter of 2003.

Loss before taxes and minority interests was NOK 1,154 million, which is NOK 3,038 million lower than the fourth quarter of 2003. Adjusted for special items profit before taxes and minority interests increased by NOK 256 million to NOK 2,004 million. Earnings per share (EPS) was NOK -0.22 compared to NOK 0.56 in the fourth quarter of 2003.

The number of mobile subscriptions in consolidated operations increased by a total of 2.4 million during the fourth quarter of 2004 to 19.0 million compared to an increase of 0.9 million in the corresponding quarter last year. In the fourth quarter 2004, the number of subscriptions in companies in which Telenor has ownership interests increased by 7.5 million to 52.7 million at the end of 2004. Revenues in Mobile increased by NOK 2,344 million or 37.1% to NOK 8,655 million. EBITDA decreased by NOK 155 million to NOK 2,339 million due to the strong market focus and provision for a loss contract in Telenor Mobile Sweden.

During the fourth quarter of 2004, Telenor Mobil Norway increased the number of GSM subscriptions by 87,000. Telenor's estimated market share for mobile services in Norway was stable at 56% measured in number of subscriptions. Telenor Mobil launched third generation mobile services (UMTS) on December 1, 2004, as the first operator in Norway.

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In Fixed Norway, revenues adjusted for disposal of operations and special items decreased by 2.1%. Adjusted EBITDA margin was 35.8%, which was in line with the fourth quarter of 2003. Operating profit increased by NOK 131 million to NOK 699 million. The market share for fixed line telephony in Norway measured in traffic minutes has been stable at 69% from the end of 2003. The number of ADSL subscriptions had a strong increase in the fourth quarter of a total of 56,000 to 326,000.

In Broadcast, the number of subscribers with satellite dish at the end of 2004 was 824,000 in the Nordic area. EBITDA in the fourth quarter of 2004 was NOK 333 million.

Capital expenditure was NOK 4,122 million compared to NOK 2,450 million in the fourth quarter of 2003. This was primarily a consequence of increased network investments in Mobile due to strong subscriber growth and Pannon GSM's purchase of a UMTS license in Hungary.

Net interest-bearing liabilities were NOK 19.2 billion, a decrease of NOK 1.4 billion from the third quarter of 2004.

Profit before taxes and minority interests for the year 2004 was NOK 8.8 billion compared to NOK 7.4 billion in 2003. Adjusted for special items, there was an increase of NOK 3.0 billion to NOK 9.3 billion in 2004. This was primarily due to increased operating profit, adjusted for special items, in all business areas. In addition, net result from associated companies and net financial items, adjusted for special items, grew. Capital expenditure in 2004 amounted to NOK 12.7 billion, which was an increase of NOK 6.3 billion. The increase is primarily related to increased investments in network capacity of international mobile operations due to strong growth in the number of subscriptions. In addition, capital expenditure in 2004 included the purchase of a licence for mobile telephony in Pakistan and a UMTS licence in Hungary at a total cost of NOK 2.4 billion and the purchase of an ownership interest in a satellite of NOK 0.6 billion in Broadcast.

The board will propose a dividend of NOK 1.50 per share for 2004, an increase from NOK 1.00 per share in 2003.

Telenor will prepare its financial statements in accordance with IFRS from the first quarter of 2005, with comparable figures for 2004. The most significant difference between IFRS and Norwegian GAAP is that goodwill is not amortized according to IFRS, but is subject to an impairment test on an annual basis or whenever there is an indication of impairment. In addition, the allocation of group overhead costs will be changed in such a way that a greater share of the costs will be charged the operating units directly.

In order to simplify and strengthen Telenor's position in the Nordic market, a separate Nordic management entity was established effective 26 January 2005, which comprise the mobile and fixed-network activities.

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On 28 January 2005, Telenor sold 6.9 million shares in Intelsat for a price of 18.75 US Dollar per share. The sale resulted in a gain before taxes of NOK 403 million.

*) See table special items (gains and losses on disposal, expenses for workforce reductions, loss contracts, exit from activities and write-downs) page 19.

Table of Contents**KEY FIGURES**

| (Beløp i millioner kroner) | 4th quarter | | Year | |
|---|-------------|--------|--------|--------|
| | 2004 | 2003 | 2004 | 2003 |
| Revenues | 15,713 | 13,801 | 61,302 | 53,121 |
| Revenues excluding gains | 15,608 | 13,671 | 60,752 | 52,889 |
| Revenues excluding gains growth (%) | 14.2 | 12.0 | 14.9 | 8.7 |
| EBITDA ¹⁾ | 4,519 | 4,883 | 20,821 | 18,302 |
| EBITDA/Revenues (%) | 28.8 | 35.4 | 34.0 | 34.5 |
| EBITDA excluding gains and losses ²⁾ | 4,407 | 4,781 | 20,345 | 18,299 |
| Operating profit (loss) | (1,019) | 2,173 | 6,602 | 7,560 |
| Operating profit/Revenues (%) | nm | 15.7 | 10.8 | 14.2 |
| Associated companies | 82 | (179) | 718 | 1,231 |
| Profit (loss) before taxes and minority interests | (1,154) | 1,884 | 8,846 | 7,426 |
| Net income | (382) | 999 | 5,228 | 4,560 |
| Net income per share in NOK basic and diluted | (0.22) | 0.56 | 2.99 | 2.57 |
| Net interest-bearing liabilities | | | 19,195 | 17,817 |
| Investments: | | | | |
| - Capex ³⁾ | 4,122 | 2,450 | 12,745 | 6,454 |
| - Investments in businesses ⁴⁾ | 1,122 | 263 | 5,809 | 563 |

¹⁾ For a definition and reconciliation of EBITDA, see table at the end of this report.

²⁾ See table special items on page 19 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.

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The table below shows key figures adjusted for special items (gains and losses on disposal, expenses for workforce reductions, loss contracts, exit from activities and write-downs) ^{1) 2)}

| (NOK in millions) | 2004 | 4th quarter 2003 | Growth | 2004 | Year 2003 | Growth |
|--|--------|------------------------|--------|--------|--------------|--------|
| Revenues | 15,608 | 13,671 | 14.2% | 60,752 | 52,889 | 14.9% |
| EBITDA | 5,075 | 4,864 | 4.3% | 21,243 | 18,586 | 14.3% |
| EBITDA/Revenues (%) | 32.5 | 35.6 | | 35.0 | 35.1 | |
| Operating profit | 2,087 | 2,223 | (6.1%) | 9,620 | 7,989 | 20.4% |
| Operating profit/Revenues (%) | 13.4 | 16.3 | | 15.8 | 15.1 | |
| Associated companies | 67 | (164) | nm | 686 | (251) | nm |
| Profit before taxes and minority interests | 2,004 | 1,748 | 14.6% | 9,268 | 6,300 | 47.1% |

1) See table special items on page 19 for further details.

2) Adjusted for the effects of acquisitions and disposals of operations and currency fluctuations, the growth in revenues was 6%.

Table of Contents**KEY FIGURES FOR THE BUSINESS AREAS****Revenues**

| (NOK in millions) | 2004 | 4th quarter 2003 | Growth | 2004 | Year 2003 | Growth |
|-----------------------|---------------|------------------------|--------------|---------------|---------------|--------------|
| Mobile | 8,655 | 6,311 | 37.1% | 32,952 | 23,810 | 38.4% |
| Fixed | 4,793 | 5,175 | (7.4%) | 19,266 | 20,509 | (6.1%) |
| Broadcast | 1,375 | 1,310 | 5.0% | 5,347 | 4,820 | 10.9% |
| Other activities | 2,571 | 2,797 | (8.1%) | 10,318 | 10,811 | (4.6%) |
| Eliminations | (1,681) | (1,792) | (6.2%) | (6,581) | (6,829) | (3.6%) |
| Total revenues | 15,713 | 13,801 | 13.9% | 61,302 | 53,121 | 15.4% |

EBITDA

| (NOK in millions) | 2004 | 4th quarter Margin 1) | 2003 | Margin 1) | 2004 | Year Margin 1) | 2003 | Margin 1) |
|---|--------------|-----------------------------|--------------|--------------|---------------|----------------------|---------------|--------------|
| Mobile | 2,339 | 27.0% | 2,494 | 39.5% | 11,618 | 35.3% | 9,567 | 40.2% |
| Fixed | 1,552 | 32.4% | 1,622 | 31.3% | 6,277 | 32.6% | 6,665 | 32.5% |
| Broadcast | 333 | 24.2% | 379 | 28.9% | 1,495 | 28.0% | 1,229 | 25.5% |
| Other activities | 257 | 10.0% | 377 | 13.5% | 1,367 | 13.2% | 830 | 7.7% |
| Eliminations | 38 | nm | 11 | nm | 64 | nm | 11 | nm |
| Total EBITDA | 4,519 | 28.8% | 4,883 | 35.4% | 20,821 | 34.0% | 18,302 | 34.5% |
| Special items 2) | 556 | | (19) | | 422 | | 284 | |
| EBITDA adjusted for special items 3) | 5,075 | 32.5% | 4,864 | 35.6% | 21,243 | 35.0% | 18,586 | 35.1% |

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 on page 19 for further details.

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

Table of Contents**Operating profit (loss)**

| (NOK in millions) | 4th quarter | | | | Year | | | |
|--------------------------------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2004 | Margin 1) | 2003 | Margin 1) | 2004 | Margin 1) | 2003 | Margin 1) |
| Mobile | (1,789) | nm | 1,432 | 22.7% | 3,027 | 9.2% | 5,224 | 21.9% |
| Fixed | 699 | 14.6% | 568 | 11.0% | 2,794 | 14.5% | 2,531 | 12.3% |
| Broadcast | 101 | 7.3% | 132 | 10.1% | 589 | 11.0% | 181 | 3.8% |
| Other units | (32) | nm | (6) | nm | 169 | 1.6% | (488) | nm |
| Eliminations | 2 | nm | 47 | nm | 23 | nm | 112 | nm |
| Total operating profit (loss) | (1,019) | nm | 2,173 | 15.7% | 6,602 | 10.8% | 7,560 | 14.2% |

1) Operating profit as a percentage of total revenues

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MOBILE

| (NOK in millions) | 4th quarter | | Year | |
|-------------------------------------|----------------|--------------|---------------|---------------|
| | 2004 | 2003 | 2004 | 2003 |
| External revenues | | | | |
| Telenor Mobil Norway | 2,690 | 2,351 | 10,508 | 9,639 |
| Sonofon Denmark | 1,166 | | 4,346 | |
| Telenor Mobile Sweden | 36 | 27 | 136 | 109 |
| Pannon GSM Hungary | 1,497 | 1,464 | 5,858 | 5,368 |
| DiGi.Com Malaysia | 1,002 | 880 | 3,950 | 3,170 |
| Kyivstar Ukraine | 1,233 | 801 | 4,344 | 2,634 |
| GrameenPhone Bangladesh | 573 | 433 | 2,202 | 1,535 |
| ProMonte GSM Montenegro | 117 | | 199 | |
| Other | 8 | 7 | 22 | 28 |
| Total external revenues | 8,322 | 5,963 | 31,565 | 22,483 |
| Internal revenues | 331 | 348 | 1,382 | 1,327 |
| Gains on disposal | 2 | | 5 | |
| Total revenues | 8,655 | 6,311 | 32,952 | 23,810 |
| EBITDA | 2,339 | 2,494 | 11,618 | 9,567 |
| Depreciation and amortization | 1,613 | 1,056 | 6,072 | 4,308 |
| Write-downs | 2,515 | 6 | 2,519 | 35 |
| Operating profit (loss) | (1,789) | 1,432 | 3,027 | 5,224 |
| EBITDA/Total revenues (%) | 27.0 | 39.5 | 35.2 | 40.2 |
| Operating profit/Total revenues (%) | nm | 22.7 | 9.1 | 21.9 |
| Investments: | | | | |
| - Capex | 3,199 | 1,421 | 9,427 | 3,667 |
| - Investments in businesses | 327 | 90 | 4,711 | 95 |

Revenues increased by 37.1% compared to the fourth quarter of 2003 due to underlying growth and consolidation of Sonofon and ProMonte. Adjusted for acquisitions, disposals of operations and currency fluctuations, the revenue growth was 16%.

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EBITDA decreased by 6.7% compared to the fourth quarter of 2003, primarily due to provision for loss on the MVNO agreement in Sweden. Price reductions and increased costs due to marketing activities as well as the consolidation of Sonofon further decreased the EBITDA margin compared to the fourth quarter of 2003.

The fourth quarter of 2004 included write-downs related to Sonofon and Telenor Mobile Sweden.

Capital expenditure included increased network investments, particularly in Kyivstar and GrameenPhone, to meet the strong subscriber growth, as well as the purchase of a UMTS license in Hungary by Pannon GSM.

Investments in businesses in the fourth quarter of 2004 were related to the purchase of additional shares in GrameenPhone that increased the ownership share to 62.0% at the end of 2004. Telenor now owns the company in partnership with Grameen Telecom.

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TELENOR MOBIL NORWAY

| (NOK in millions) | 4th quarter | | Year | |
|---|--------------|--------------|---------------|---------------|
| | 2004 | 2003 | 2004 | 2003 |
| Subscriptions and connections | 437 | 305 | 1,533 | 1,216 |
| Traffic | 1,385 | 1,258 | 5,568 | 5,329 |
| SMS, MMS and content services | 416 | 384 | 1,595 | 1,599 |
| Customer equipment, service providers and other | 452 | 404 | 1,812 | 1,495 |
| Total external revenues | 2,690 | 2,351 | 10,508 | 9,639 |
| Internal revenues | 290 | 318 | 1,226 | 1,270 |
| Total revenues | 2,980 | 2,669 | 11,734 | 10,909 |
| EBITDA | 1,109 | 982 | 4,283 | 4,262 |
| Depreciation and amortization | 279 | 276 | 1,056 | 1,147 |
| Write-downs | 10 | | 14 | |
| Operating profit | 820 | 706 | 3,213 | 3,115 |
| EBITDA/Total revenues (%) | 37.2 | 36.8 | 36.5 | 39.1 |
| Operating profit/Total revenues (%) | 27.5 | 26.5 | 27.4 | 28.6 |
| Capex | 172 | 236 | 973 | 500 |
| ARPU (GSM) monthly (NOK) | 330 | 326 | 339 | 339 |
| No. of subscriptions (in thousand) | | | 2,645 | 2,364 |

During the fourth quarter of 2004 Telenor Mobil had a net increase of 87,000 GSM subscriptions, of which 36,000 were contract subscriptions.

The estimated market share for mobile subscriptions was approximately 56% at the end of 2004, in line with the third quarter of 2004. Mobile penetration was estimated at 102%, up from 99% in the third quarter of 2004.

Increased revenues compared to the fourth quarter of 2003 is primarily related to increased number of subscriptions, increased traffic per subscription and increased revenues from traffic sold on a wholesale basis, partially offset by price reductions. In addition, revenues have been affected positively by accruals between the quarters.

Average revenue per subscription (ARPU), adjusted for accruals between the quarters, decreased by NOK 4 in the fourth quarter of 2004 compared to the fourth quarter of 2003, primarily due to reduced average prices for voice services and SMS.

The EBITDA margin adjusted for accruals between the quarters was in line with the fourth quarter of 2003. The increase in revenues was partially offset by increased costs associated with sales and marketing activities

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In the fourth quarter of 2004, Telenor Mobil recognised discounts on equipment associated with investments during 2004, which contributed to the decrease in capital expenditure. Investments in new technology increased compared to the fourth quarter of 2003.

On 1 December 2004, Telenor Mobil was the first operator in Norway to launch third generation mobile services (UMTS).

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SONOFON DENMARK

| (NOK in millions) | 4th quarter | | Year | |
|------------------------------------|--------------|------|--------------|------|
| | 2004 | 2003 | 2004 | 2003 |
| Mobile related revenues | 936 | | 3,369 | |
| Other revenues | 244 | | 1,024 | |
| Total revenues | 1,180 | | 4,393 | |
| | | | | |
| EBITDA | 20 | | 680 | |
| Depreciation and amortization | 122 | | 642 | |
| Write-downs | 215 | | 215 | |
| Operating (loss) | (317) | | (177) | |
| | | | | |
| EBITDA/Total revenues (%) | 1.7 | | 15.5 | |
| Capex | 76 | | 388 | |
| ARPU (GSM) monthly (NOK) | 224 | | 248 | |
| No. of subscriptions (in thousand) | | | 1,286 | |

Telenor's ownership interest in Sonofon was 100% at the end of 2004. The Norwegian Krone appreciated against the Danish Krone by approximately 2% in the fourth quarter of 2004 compared to the third quarter of 2004. The preceding table shows figures included in the accounts for Telenor from 12 February 2004, the date of consolidation of Sonofon. ARPU for the year 2004 in the table is for the period 1 January-31 December 2004.

Sonofon's estimated market share was 27% at the end of 2004, in line with the previous quarter. The estimated mobile penetration in Denmark was 88% at the end of 2004 compared to 87% at the end of the third quarter of 2004 (measured by using three months churn for prepaid subscriptions for all operators).

During the quarter, the number of subscriptions in Sonofon increased by 23,000.

ARPU decreased by 5% compared to the third quarter 2004, measured in local currency, primarily as a result of price reductions.

EBITDA in the fourth quarter 2004 decreased due to high costs associated with sales and marketing activities to respond to the intensified competition. In addition, EBITDA in the fourth quarter of 2004 was negatively affected by costs for workforce reductions and costs that were recorded as capital expenditure in the previous quarters of 2004. This expense contributed to a decrease in capital expenditure for the fourth quarter of 2004.

Revenues and the EBITDA margin for the full year 2004 were NOK 4,927 million and 16%, respectively.

Write-downs included in the fourth quarter of 2004 were primarily related to the fixed network operation. Write-downs of Telenor's excess values are included in Other units in Mobile .

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TELENOR MOBILE SWEDEN

| (NOK in millions) | 4th quarter | | Year | |
|------------------------------------|--------------|-------------|--------------|--------------|
| | 2004 | 2003 | 2004 | 2003 |
| Total revenues | 61 | 44 | 223 | 127 |
| EBITDA | (619) | (36) | (725) | (114) |
| Depreciation and amortization | 26 | 7 | 49 | 24 |
| Write-downs | 75 | | 75 | |
| Operating (loss) | (720) | (43) | (849) | (138) |
| Capex | 6 | 4 | 17 | 79 |
| ARPU (GSM) monthly (NOK) | 195 | 199 | 201 | 171 |
| No. of subscriptions (in thousand) | | | 105 | 81 |

The Norwegian Krone was stable against the Swedish Krone in the fourth quarter of 2004 compared to the fourth quarter of 2003.

Compared to the fourth quarter of 2003, revenues increased as a result of the increased number of subscriptions.

The increase in EBITDA loss compared to the fourth quarter of 2003 was primarily due to provision for loss on the MVNO agreement in Sweden. In 2002, Telenor entered into an MVNO agreement (Mobile Virtual Network Operator) with Tele2 to purchase mobile network capacity in Sweden, as an alternative to a service provider agreement. The MVNO agreement is partially a fixed price agreement. As a consequence of the revised expectations of the usage of the capacity in the MVNO agreement, Telenor expensed NOK 562 million as loss on this contract in the fourth quarter of 2004. In addition, Telenor made a write-down of fixed assets in Sweden by NOK 75 million.

Depreciation associated with phasing out the service provider operation was included in the fourth quarter of 2004. From March 2005, Telenor Mobile Sweden will provide all mobile services as a MVNO.

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PANNON GSM HUNGARY

| (NOK in millions) | 4th quarter | | Year | |
|-------------------------------------|--------------|--------------|--------------|--------------|
| | 2004 | 2003 | 2004 | 2003 |
| Mobile related revenues | 1,384 | 1,326 | 5,499 | 5,005 |
| Other revenues | 118 | 138 | 370 | 365 |
| Total revenues | 1,502 | 1,464 | 5,869 | 5,370 |
| | | | | |
| EBITDA | 419 | 435 | 2,092 | 1,924 |
| Depreciation and amortization | 221 | 231 | 935 | 889 |
| Write-downs | 21 | 4 | 21 | 10 |
| Operating profit | 177 | 200 | 1,136 | 1,025 |
| | | | | |
| EBITDA/Total revenues (%) | 27.9 | 29.7 | 35.6 | 35.8 |
| Operating profit/Total revenues (%) | 11.8 | 13.7 | 19.4 | 19.1 |
| Capex | 820 | 200 | 1,166 | 644 |
| ARPU (GSM) monthly (NOK) | 174 | 173 | 176 | 165 |
| No. of subscriptions (in thousand) | | | 2,770 | 2,618 |

Telenor's ownership interest in Pannon GSM is 100%. The Norwegian Krone depreciated against the Hungarian Forint by approximately 5% in the fourth quarter of 2004 compared to the fourth quarter of 2003.

The number of subscriptions increased by a total of 175,000 during the quarter, of which 70,000 were contract subscriptions.

Pannon GSM's estimated market share at the end of the quarter was approximately 34%, up 1 percentage point from the previous quarter. Compared to the end of the third quarter of 2004, the estimated mobile penetration in Hungary increased by approximately 3 percentage points to 80% (measured by using three months churn for prepaid subscriptions for all operators).

ARPU measured in local currency decreased by 4.5% compared to fourth quarter 2003, primarily due to price reductions, partially offset by increased usage per subscription and increased number of contract subscriptions.

The decrease in EBITDA margin compared to fourth quarter 2003 was primarily due to price reductions and increased interconnection costs.

Depreciation and amortization decreased compared to the fourth quarter of 2003 due to fixed assets being entirely depreciated. The UMTS license will be amortized over 15 years starting from 2005.

Increased capital expenditure compared to the fourth quarter of 2003 was primarily related to the purchase of a UMTS license and upgrading the GSM network to EDGE functionality.

On 8 December 2004, Pannon GSM acquired a UMTS licence for NOK 630 million, of which NOK 180 million was paid in 2004 and the remaining will be paid in three yearly installments. The licence also includes GSM

1800-frequencies.

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DIGI.COM MALAYSIA

| (NOK in millions) | 4th quarter | | Year | |
|---|--------------|------------|--------------|--------------|
| | 2004 | 2003 | 2004 | 2003 |
| Mobile related revenues | 894 | 752 | 3,437 | 2,713 |
| Other revenues | 108 | 130 | 516 | 463 |
| Total revenues | 1,002 | 882 | 3,953 | 3,176 |
| | | | | |
| EBITDA | 442 | 386 | 1,732 | 1,295 |
| Depreciation and amortization | 198 | 201 | 829 | 780 |
| Write-downs | | 3 | | 18 |
| Operating profit | 244 | 182 | 903 | 497 |
| | | | | |
| EBITDA/Total revenues (%) | 44.1 | 43.8 | 43.8 | 40.8 |
| Operating profit/Total revenues (%) | 24.4 | 20.6 | 22.8 | 15.6 |
| Capex | 427 | 530 | 920 | 1,043 |
| ARPU (GSM) monthly (NOK) | 100 | 117 | 110 | 117 |
| No. of subscriptions (100% in thousand) | | | 3,242 | 2,207 |

Telenor's ownership interest in DiGi.Com was 61.0% at the end of 2004. The Norwegian Krone appreciated against the Malayan Ringgit by approximately 8% in the fourth quarter of 2004 compared to the fourth quarter of 2003.

There was a strong increase in the number of subscriptions in the fourth quarter of 2004. The increase was 436,000 in the quarter and more than 1 million compared to the end of 2003.

DiGi.Com increased its estimated market share by 0.5 percentage points from the previous quarter to 22%. The estimated mobile penetration in Malaysia was 57% at the end of 2004 compared to 52% at the end of third quarter 2004.

ARPU measured in local currency decreased by approximately 8% compared to the fourth quarter of 2003 as a result of on average reduced prices and lower usage per subscription. Lower average usage is due primarily to high growth in subscriptions towards the end of the quarter.

Revenues increased by 25% compared to the fourth quarter of 2003, when measured in local currency, which was driven by the increase in the number of subscriptions.

The EBITDA margin was in line with the fourth quarter of 2003. Measured in local currency, EBITDA increased by 26% compared to the fourth quarter of 2003.

Compared to the fourth quarter of 2003, depreciation and amortization increased, when measured in local currency, as a result of high capital expenditure in the intervening quarters.

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Capital expenditure was related to investments in networks to increase coverage and serve a larger customer base, as well as upgrading the network to EDGE functionality.

The mobile operators in Malaysia are required to provide a certain level of national coverage by the end of 2005 and 2006, but the Malaysian authorities have not yet set out all conditions.

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KYIVSTAR UKRAINE

| (NOK in millions) | 4th quarter | | Year | |
|---|--------------|------------|--------------|--------------|
| | 2004 | 2003 | 2004 | 2003 |
| Mobile related revenues | 1,213 | 786 | 4,278 | 2,569 |
| Other revenues | 21 | 15 | 68 | 65 |
| Total revenues | 1,234 | 801 | 4,346 | 2,634 |
| | | | | |
| EBITDA | 713 | 507 | 2,581 | 1,573 |
| Depreciation and amortization | 136 | 95 | 462 | 343 |
| Operating profit | 577 | 412 | 2,119 | 1,230 |
| | | | | |
| EBITDA/Total revenues (%) | 57.8 | 63.3 | 59.4 | 59.7 |
| Operating profit/Total revenues (%) | 46.8 | 51.4 | 48.8 | 46.7 |
| Capex | 1,024 | 259 | 2,608 | 979 |
| ARPU (GSM) monthly (NOK) | 72 | 95 | 90 | 94 |
| No. of subscriptions (100% in thousand) | | | 6,252 | 3,037 |

Telenor's ownership interest at the end of 2004 was 56.51%. The Norwegian Krone appreciated against the Ukrainian Hryvnia (UAH) by approximately 7% in the fourth quarter of 2004 compared to the fourth quarter of 2003.

Previously, the US Dollar was the functional currency for Kyivstar. In 2004, when the company changed its nominal prices from US Dollar to local currency (UAH), Ukrainian Hryvnia was adopted as the functional currency. This change has not had any material effect on the financial figures as the exchange rate between US Dollar and Ukrainian Hryvnia has been stable.

Kyivstar experienced high growth and more than doubled the customer base during 2004. The number of subscriptions increased by more than 1.4 million during the fourth quarter of 2004 and by more than 3.2 million compared to the end of 2003.

Kyivstar's estimated market share decreased by 1 percentage point from the previous quarter to 45% at the end of 2004. Compared to the third quarter of 2004, the estimated mobile penetration in Ukraine increased from 22% to 29%.

ARPU measured in local currency decreased by approximately 18% compared to the fourth quarter of 2003. This was due to the high customer growth as well as price reductions.

Revenues increased compared to the fourth quarter of 2003 primarily due to the increase in the number of subscriptions.

The decrease in EBITDA margin was primarily a result of lower prices without costs of materials and traffic charges decreasing correspondingly. Measured in local currency, EBITDA increased by 54% compared to the fourth quarter of 2003.

Compared to the fourth quarter of 2003, depreciation and amortization increased as a result of increased capital expenditure in the intervening quarters.

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Increased capital expenditure compared to the fourth quarter of 2003 was due to network investments required by the large increase in the customer base and to improve coverage.

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GRAMEENPHONE BANGLADESH

| (NOK in millions) | 4th quarter | | Year | |
|---|-------------|------------|--------------|--------------|
| | 2004 | 2003 | 2004 | 2003 |
| Mobile related revenues | 573 | 432 | 2,194 | 1,529 |
| Other revenues | | 1 | 8 | 7 |
| Total revenues | 573 | 433 | 2,202 | 1,536 |
| | | | | |
| EBITDA | 338 | 309 | 1,313 | 1,001 |
| Depreciation and amortization | 72 | 41 | 215 | 158 |
| Write-downs | 3 | | 3 | |
| Operating profit | 263 | 268 | 1,095 | 843 |
| | | | | |
| EBITDA/Total revenues (%) | 59.0 | 71.4 | 59.6 | 65.2 |
| Operating profit/Total revenues (%) | 45.9 | 61.9 | 49.7 | 54.9 |
| Capex | 482 | 189 | 1,318 | 429 |
| ARPU (GSM) monthly (NOK) | 88 | 130 | 106 | 136 |
| No. of subscriptions (100% in thousand) | | | 2,388 | 1,141 |

Telenor's ownership interest at the end of 2004 was 62.0%. The Norwegian Krone appreciated against the Bangladeshi Takka by approximately 10% in the fourth quarter of 2004 compared to the fourth quarter of 2003.

GrameenPhone experienced high growth and more than doubled the customer base during 2004. The number of subscriptions increased by 364,000 during the fourth quarter and by more than 1.2 million compared to the end of 2003.

GrameenPhone's estimated market share at the end of 2004 was 62%, compared to 63% at the end of third quarter 2004. The estimated mobile penetration in Bangladesh increased by 0.4 percentage points from the previous quarter to 2.8% at the end of 2004.

The increase in the number of subscriptions contributed to an increase in revenues of 48% measured in local currency compared to the fourth quarter of 2003.

Measured in local currency, ARPU declined by 25% compared to the fourth quarter of 2003. This was primarily due to a higher portion of prepaid subscriptions as well as price reductions. Adjusted for accruals between the quarters ARPU declined by 20%.

The EBITDA margin declined compared to the fourth quarter of 2003, but was in line with previous quarters in 2004. Measured in local currency, EBITDA increased by 23% compared to the fourth quarter of 2003, primarily due to the increase in revenues.

Compared to the fourth quarter of 2003, depreciation and amortization increased as a result of increased capital expenditure in the intervening quarters.

Increased capital expenditure was primarily related to the network investment required by strong subscriber growth as well as improved coverage.

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On 26 October 2004, Telenor acquired 4.5% of the shares in GrameenPhone for a consideration of USD 9.7 million. On 27 December 2004, we further acquired 6.5% of the shares for a consideration of USD 37.2 million. Telenor's ownership interest at the end of 2004 was 62.0%. In total, Telenor has invested NOK 565 million in the company.

PROMONTE GSM MONTENEGRO

| (NOK in millions) | 4th quarter | | Year | |
|-------------------------------------|-------------|------|------------|------|
| | 2004 | 2003 | 2004 | 2003 |
| Mobile related revenues | 109 | | 189 | |
| Other revenues | 9 | | 11 | |
| Total revenues | 118 | | 200 | |
| | | | | |
| EBITDA | 46 | | 91 | |
| Depreciation and amortization | 23 | | 35 | |
| Operating profit | 23 | | 56 | |
| | | | | |
| EBITDA/Total revenues (%) | 39.0 | | 45.5 | |
| Operating profit/Total revenues (%) | 19.5 | | 28.0 | |
| Capex | 13 | | 16 | |
| ARPU (GSM) monthly (NOK) | 115 | | 142 | |
| No. of subscriptions (in thousand) | | | 279 | |

Telenor's ownership interest in ProMonte was 100% at the end of 2004. The preceding table shows figures included in the accounts for Telenor from 12 August 2004, the date of consolidation of ProMonte. ARPU for the year 2004 is for the period 1 January - 31 December 2004.

At the end of the fourth quarter of 2004, ProMonte's estimated market share was 58%, an increase of one percentage point compared to the previous quarter.

The number of subscriptions increased by 38,000 compared to the end of 2003. The number of subscriptions decreased by 61,000 from the end of the third quarter of 2004, as a result of prepaid subscriptions being churned when the tourist season has ended.

Measured in local currency, ARPU declined by 12% compared to the fourth quarter of 2003 primarily due to price reductions.

Revenues and EBITDA margin for the full year 2004 were NOK 492 million and 50%, respectively.

Table of Contents**OTHER UNITS IN MOBILE**

(including eliminations and amortization and write-downs of net excess values)

| (NOK in millions) | 4th quarter | | Year | |
|--|----------------|--------------|----------------|----------------|
| | 2004 | 2003 | 2004 | 2003 |
| EBITDA | (129) | (89) | (429) | (374) |
| Depreciation and amortization ¹⁾ | 536 | 205 | 1,849 | 967 |
| Write-downs | 2,191 | (1) | 2,191 | 7 |
| Operating (loss) | (2,856) | (293) | (4,469) | (1,348) |
| ¹⁾ Includes amortization of Telenor's net excess values by* | 513 | 198 | 1,848 | 911 |
| Capex | 179 | 3 | 2,021 | (7) |

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

Other units in Mobile include the greenfield operation in Pakistan, costs related to the management and administration of Telenor's international mobile operations, as well as amortization and write-downs of Telenor's net excess values on consolidated mobile companies.

Increased EBITDA loss compared to the fourth quarter of 2003 was due to operating costs related to the start-up of operations in Pakistan. The EBITDA loss in Pakistan in the fourth quarter and for the year 2004 was NOK 40 million and NOK 78 million, respectively.

Increased amortization of net excess values compared to the fourth quarter of 2003 was due to amortization of excess values related to Sonofon.

In connection with Telenor's annual impairment test of entities containing goodwill, the market value of the mobile company Sonofon in Denmark has been assessed to be lower than the book value. This has led to a write-down of NOK 2.4 billion, of which NOK 2.2 billion is goodwill. The enterprise value of Sonofon is NOK 7.7 billion subsequent to the write-down.

Capital expenditure for the fourth quarter of 2004 was primarily related to the greenfield operation in Pakistan.

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ASSOCIATED COMPANIES AND JOINT VENTURES IN MOBILE

| (NOK in millions) | 4th quarter | | Year | |
|---|-------------|-------------|------------|--------------|
| | 2004 | 2003 | 2004 | 2003 |
| Telenor's share of ¹⁾ | | | | |
| Net income after taxes | 63 | 75 | 857 | 608 |
| Amortization of Telenor's net excess values ²⁾ | (25) | (77) | (163) | (534) |
| Write-downs of Telenor's excess values | | (15) | | (15) |
| Gains on disposal of ownership interests | | | | 1,580 |
| Net result from associated companies | 38 | (17) | 694 | 1,639 |

1)

The figures are partially 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 Sonofon until 12 February 2004 and ProMonte GSM until 12 August 2004. Effective from these dates, Sonofon and ProMonte GSM were consolidated as subsidiaries. Cosmote was included as an associated company through April 2003.

2)

Net excess values are the differences between Telenor's acquisition cost and Telenor's share of equity at acquisition of associated companies.

Telenor's ownership interest in VimpelCom in Russia was 29.9% at the end of 2004. The value of Telenor's share of the company based on the quoted share price as at 31 December 2004 was NOK 13.4 billion. The merger between VimpelCom and VimpelCom Region was completed and effective from 26 November 2004. The number of subscriptions at the end of 2004 was approximately 27 million according to telecom analysts.

Telenor's direct and indirect ownership interest in DTAC in Thailand was 40.3% at the end of 2004. The value of Telenor's share of the company based on quoted share price as at 31 December 2004 was NOK 4.2 billion. The number of subscriptions in DTAC at the end of 2004 was approximately 7.8 million.

Reduced amortization of Telenor's net excess values on associated companies compared to the fourth quarter of 2003 was primarily due to the consolidation of Sonofon as of 12 February 2004 and adjustments made in the fourth quarter of 2003.

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FIXED

| (NOK in millions) | 4th quarter | | Year | |
|---|--------------|--------------|---------------|---------------|
| | 2004 | 2003 | 2004 | 2003 |
| External revenues | | | | |
| Norway | 3,820 | 4,060 | 15,669 | 16,409 |
| Sweden | 410 | 431 | 1,588 | 1,517 |
| Russia | | 145 | | 701 |
| Other countries | 44 | 42 | 173 | 160 |
| Total external revenues | 4,274 | 4,678 | 17,430 | 18,787 |
| Internal revenues | 510 | 489 | 1,826 | 1,713 |
| Gains on disposal | 9 | 8 | 10 | 9 |
| Total revenues | 4,793 | 5,175 | 19,266 | 20,509 |
| EBITDA | 1,552 | 1,622 | 6,277 | 6,665 |
| Depreciation and amortization ¹⁾ | 838 | 1,037 | 3,468 | 4,110 |
| Write-downs | 15 | 17 | 15 | 24 |
| Operating profit | 699 | 568 | 2,794 | 2,531 |
| ¹⁾ Includes amortization of Telenor's net excess values by | (25) | (24) | (102) | (76) |
| EBITDA/Total revenues (%) | 32.4 | 31.3 | 32.6 | 32.5 |
| Operating profit/Total revenues (%) | 14.6 | 11.0 | 14.5 | 12.3 |
| Investments: | | | | |
| Capex | 609 | 584 | 1,791 | 1,867 |
| Investments in businesses | 8 | 76 | 105 | 294 |

Compared to the fourth quarter of 2003, the results were affected by the sale of Comincom/Combella to Golden Telecom on 1 December 2003. In addition, the results were affected by the fact that Telenor, as part of the efficiency improvements of operations, sold parts of the Operating services business from Fixed to EDB Business Partner with effect from 1 May 2004. The sold business provides services in connection with the operation of the IT systems to other Telenor companies and to external customers. The business was included in the results for Fixed until 1 May 2004.

Adjusted for the sale of Comincom/Combella, the sale of parts of the Operating services to EDB Business Partner and special items, revenues decreased by 2.1% and the EBITDA margin was in line with the fourth quarter of 2003. Correspondingly, adjusted operating profit margin increased by 0.5 percentage points.

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FIXED NORWAY

| (NOK in millions) | 4th quarter | | Year | |
|---|--------------|--------------|---------------|---------------|
| | 2004 | 2003 | 2004 | 2003 |
| Retail revenues | | | | |
| Subscriptions and connections PSTN/ISDN | 864 | 1,031 | 3,683 | 4,300 |
| Subscriptions and connections ADSL/Internet | 364 | 275 | 1,315 | 1,041 |
| Internet traffic | 95 | 129 | 410 | 561 |
| Other traffic | 1,124 | 1,225 | 4,495 | 5,062 |
| Total PSTN/ISDN, ADSL and Internet | 2,447 | 2,660 | 9,903 | 10,964 |
| Leased lines | 71 | 80 | 301 | 329 |
| Data communication | 213 | 218 | 854 | 836 |
| Managed services | 94 | 191 | 454 | 726 |
| Other retail products | 101 | 74 | 509 | 377 |
| Total other retail revenues | 479 | 563 | 2,118 | 2,268 |
| Total retail revenues | 2,926 | 3,223 | 12,021 | 13,232 |
| Wholesale revenues | | | | |
| Sales to service providers and operators | 172 | 97 | 711 | 249 |
| Domestic interconnect | 151 | 160 | 608 | 643 |
| International interconnect | 91 | 84 | 329 | 339 |
| Transit traffic | 228 | 260 | 993 | 1,038 |
| Leased lines | 143 | 157 | 614 | 631 |
| Other wholesale revenues | 109 | 79 | 393 | 277 |
| Total wholesale revenues | 894 | 837 | 3,648 | 3,177 |
| Total external revenues | 3,820 | 4,060 | 15,669 | 16,409 |
| Internal revenues | 521 | 497 | 1,844 | 1,776 |
| Gains on disposal | 5 | 3 | 5 | 4 |
| Total revenues Norway | 4,346 | 4,560 | 17,518 | 18,189 |
| EBITDA | 1,563 | 1,608 | 6,271 | 6,512 |
| Depreciation and amortization ¹⁾ | 772 | 962 | 3,244 | 3,773 |
| Write-downs | 2 | 19 | 2 | 19 |
| Operating profit | 789 | 627 | 3,025 | 2,720 |

¹⁾ Includes amortization of Telenor's net excess values by 1 2 2 9

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| (NOK in millions) | 4th quarter | | Year | |
|-------------------------------------|-------------|------|-------|-------|
| | 2004 | 2003 | 2004 | 2003 |
| EBITDA/Total revenues (%) | 36.0 | 35.3 | 35.8 | 35.8 |
| Operating profit/Total revenues (%) | 18.2 | 13.8 | 17.3 | 15.0 |
| Investments: | | | | |
| Capex | 457 | 482 | 1,473 | 1,568 |
| Investments in businesses | 1 | 1 | 2 | 1 |

The number of ADSL subscriptions (residential and business) increased by a total of 56,000 during the fourth quarter of 2004 to 326,000, an increase of 149,000 from the end of 2003. Telenor's estimated market share for ADSL subscriptions was 58% at the end of 2004.

Telenor's market share measured in traffic minutes was 69% at the end of 2004, in line with the end of 2003 and the third quarter of 2004.

Adjusted for the sale of the Operating services business to EDB Business Partner, revenues decreased by 2.0% compared to the fourth quarter of 2003 due to the decrease in retail revenues not being fully offset by the increase in wholesale revenues. This was due to a decrease in revenues from international interconnect, transit traffic and leased lines on a wholesale basis. Adjusted for the sale of the Operating services business to EDB Business Partner and special items, the EBITDA margin was in line with the fourth quarter of 2003 and the operating profit margin increased by 3.2 percentage points.

External revenues from Subscriptions and connections PSTN/ISDN decreased compared to the fourth quarter of 2003 due to the transition to sales of access lines on a wholesale basis and a decrease in the number of subscriptions in the market as a whole.

Increased external revenues from Subscriptions and connections ADSL/Internet were due to the increase in the number of ADSL subscriptions.

Reduced external traffic revenues in the retail market compared to the fourth quarter of 2003 was primarily due to a 19% decline in total traffic measured in minutes in Telenor's network. The reduction in total traffic was due to the migration of voice traffic from fixed telephony to mobile telephony and data traffic from dial-up Internet to ADSL.

External revenues from Managed services decreased compared to the fourth quarter of 2003 due to the sale of parts of this operation to EDB Business Partner.

Increased revenues from Other retail products compared to the fourth quarter of 2003 were primarily due to revenues from new contracts.

Increased revenues from Sales to service providers and operators were due to increased sales of access lines on a wholesale basis (PSTN, ISDN and ADSL). The number of PSTN/ISDN lines sold on a wholesale basis was 438,000 at the end of 2004, an increase of 208,000 compared to the end of 2003. The number of ADSL subscriptions sold on a wholesale basis was 91,000 at the end of 2004, an increase of 35,000 compared to the end of 2003.

Reduced external revenues from International interconnect and Transit traffic were due to a decline in international and transit traffic measured in minutes as a result of more operators outside Norway sending the traffic within their

own network.

Reduced external revenues from Leased lines on a wholesale basis were primarily due to the migration of several data services to DSL technology.

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Increased external Other wholesale revenues was primarily due to increased sales of local loop unbundled subscriptions. The number of local loop unbundled subscriptions sold at the end of 2004 was 145,000, an increase of 65,000 compared to the end of 2003.

Increased internal revenues were mainly due to growth in the sale of contractor services.

EBITDA decreased compared to the fourth quarter of 2003. Reduced revenues and the effects from the sale of parts of the Operating services business to EDB Business Partner were partially offset by reduced operating costs. The decrease in operating costs, was primarily due to pension obligations being recognised as income as a result of a change in the accounting treatment of pensions in Telenor group and certain changes in estimates including provisions for losses on receivables. This affected the EBITDA margin positively in the fourth quarter of 2004 by approximately 3 percentage points.

Depreciation and amortization decreased compared to the fourth quarter of 2003 primarily due to a lower investment activity in recent years and as a consequence of the sale of parts of the business in Operating services to EDB Business Partner.

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FIXED SWEDEN

| (NOK in millions) | 4th quarter | | Year | |
|---|-------------|-------------|--------------|--------------|
| | 2004 | 2003 | 2004 | 2003 |
| External revenues | 410 | 431 | 1,588 | 1,517 |
| Internal revenues | 24 | 19 | 99 | 81 |
| Gains on disposal | 4 | 5 | 5 | 5 |
| Total revenues | 438 | 455 | 1,692 | 1,603 |
| | | | | |
| EBITDA | (3) | (8) | 8 | (56) |
| Depreciation and amortization ¹⁾ | 44 | 36 | 164 | 141 |
| Write-downs | 11 | (3) | 11 | 1 |
| Operating (loss) | (58) | (41) | (167) | (198) |
| | | | | |
| ¹⁾ Includes amortization of Telenor's net excess values by | (26) | (35) | (104) | (143) |
| | | | | |
| Investments: | | | | |
| Capex | 134 | 59 | 279 | 85 |
| Investments in businesses | 6 | 13 | 93 | 13 |

Reduced revenues compared to the third quarter of 2003 were primarily due to the termination of volume contracts related to international interconnect and reduced sales of telephony services on a wholesale basis. In the fourth quarter of 2004, NOK 56 million in prepaid capacity for future deliveries was recognised as income because the delivery obligation was terminated.

Compared to the fourth quarter of 2003, EBITDA was positively affected by the recognition of revenue mentioned above, offset by reduced revenue from sale on a wholesale basis and increased operating costs due to rollout of ADSL.

Increased capital expenditure compared to the fourth quarter of 2004 was primarily due to rollout of DSL for wholesale purposes.

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FIXED RUSSIA

| (NOK in millions) | 4th quarter | | Year | |
|---|-------------|-------------|------|-----------|
| | 2004 | 2003 | 2004 | 2003 |
| Total revenues | | 145 | | 703 |
| EBITDA | | 8 | | 215 |
| Operating profit (loss) ¹⁾ | | (18) | | 71 |
| ¹⁾ Includes amortization of Telenor's net excess values by | | 9 | | 58 |
| Investments: | | | | |
| Capex | | 32 | | 173 |

Telenor's shareholding in Comincom/Combella was sold on 1 December 2003 in exchange for shares in the listed company Golden Telecom. Comincom/Combella was consolidated as a subsidiary until 1 December 2003. Golden Telecom is accounted for as an associated company from this date.

FIXED OTHER COUNTRIES

Fixed Other Countries consist of activities in the Czech Republic and Slovakia. The EBITDA loss in this quarter was NOK 4 million, compared to an EBITDA loss of NOK 2 million in the fourth quarter of 2003.

Table of Contents**BROADCAST**

| (NOK in millions) | 4th quarter | | Year | |
|---|--------------|--------------|--------------|--------------|
| | 2004 | 2003 | 2004 | 2003 |
| External revenues | | | | |
| Distribution | 1,110 | 1,033 | 4,300 | 3,761 |
| Transmission | 188 | 207 | 788 | 816 |
| Other | 43 | 33 | 123 | 64 |
| Total external revenues | 1,341 | 1,273 | 5,211 | 4,641 |
| Internal revenues | 33 | 37 | 135 | 159 |
| Gains on disposal | 1 | | 1 | 20 |
| Total revenues | 1,375 | 1,310 | 5,347 | 4,820 |
| EBITDA | 333 | 379 | 1,495 | 1,229 |
| Depreciation and amortization ¹⁾ | 212 | 238 | 886 | 1,030 |
| Write-downs | 20 | 9 | 20 | 18 |
| Operating profit | 101 | 132 | 589 | 181 |
| ¹⁾ Includes amortization of Telenor's net excess values by | 56 | 62 | 243 | 256 |
| EBITDA/Total revenues (%) | 24.2 | 28.9 | 28.0 | 25.5 |
| Operating profit/Total revenues (%) | 7.3 | 10.1 | 11.0 | 3.8 |
| Investments: | | | | |
| Capex | 71 | 133 | 880 | 252 |
| Investments in businesses | | | | 14 |

Revenues increased in the fourth quarter of 2004 compared to the fourth quarter of 2003, primarily due to growth in the number of subscribers and price increases.

Reduced EBITDA margin in the fourth quarter of 2004 compared to the fourth quarter of 2003 was primarily due to increased costs for marketing and commissions in Distribution as the competition in the Nordic area intensified. In addition, EBITDA in the fourth quarter of 2003 was positively influenced by accruals between the quarters. This was partially offset by reduced costs associated with replacing leased satellite capacity with own capacity.

Reduced capital expenditure compared to the fourth quarter of 2003 was primarily due to reduced capital expenditure in the analogue broadcasting network and the cable TV networks in Norway.

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BROADCAST DISTRIBUTION

| (NOK in millions) | 4th quarter | | Year | |
|---|--------------|--------------|--------------|--------------|
| | 2004 | 2003 | 2004 | 2003 |
| External revenues | | | | |
| Satellite dish | 750 | 702 | 2,917 | 2,528 |
| Cable-TV | 257 | 233 | 986 | 888 |
| Small antenna TV-networks | 97 | 94 | 382 | 335 |
| Other | 6 | 4 | 15 | 10 |
| Total external revenues | 1,110 | 1,033 | 4,300 | 3,761 |
| Internal revenues | 1 | 4 | 9 | 13 |
| Gains on disposal | 1 | | 1 | 20 |
| Total revenues | 1,112 | 1,037 | 4,310 | 3,794 |
| EBITDA | 127 | 228 | 749 | 686 |
| Depreciation and amortization ¹⁾ | 135 | 176 | 592 | 754 |
| Write-downs | 15 | 6 | 15 | 8 |
| Operating profit (loss) | (23) | 46 | 142 | (76) |
| ¹⁾ Includes amortization of Telenor's net excess values by | 56 | 61 | 243 | 255 |
| EBITDA/Total revenues (%) | 11.4 | 22.0 | 17.4 | 18.1 |
| Operating profit/Total revenues (%) | nm | 4.4 | 3.3 | nm |
| Investments: | | | | |
| Capex | 26 | 58 | 120 | 112 |

The number of subscribers with satellite dish was 824,000 at the end of 2004 compared to 763,000 at the end of 2003. The number of subscribers with cable TV was 624,000 at the end of 2004 compared to 604,000 at the end of 2003.

Revenues in Distribution increased compared to the fourth quarter of 2003 primarily due to an increase in the number of subscribers and price increases for Satellite dish .

The EBITDA margin in the fourth quarter of 2003 adjusted for gains on disposal and accruals between the quarters in 2003 was approximately 16%. Reduced EBITDA margin beyond this was primarily due to increased costs for marketing and commissions related to new customers with satellite dish and cable-TV, including costs for decoders.

Reduced depreciation and amortization was a result of fully depreciated fixed assets within Satellite dish .

Reduced capital expenditure was primarily due to decreased investments in the cable TV networks in Norway compared to the fourth quarter of 2003.

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BROADCAST TRANSMISSION

| (NOK in millions) | 4th quarter | | Year | |
|-------------------------------------|-------------|------------|--------------|--------------|
| | 2004 | 2003 | 2004 | 2003 |
| External revenues | 188 | 207 | 788 | 816 |
| Internal revenues | 107 | 110 | 423 | 461 |
| Total revenues | 295 | 317 | 1,211 | 1,277 |
| | | | | |
| EBITDA | 190 | 144 | 685 | 554 |
| Depreciation and amortization | 71 | 60 | 276 | 266 |
| Write-downs | 1 | 2 | 1 | 7 |
| Operating profit | 118 | 82 | 408 | 281 |
| | | | | |
| EBITDA/Total revenues (%) | 64.4 | 45.4 | 56.6 | 43.4 |
| Operating profit/Total revenues (%) | 40.0 | 25.9 | 33.7 | 22.0 |
| | | | | |
| Investments: | | | | |
| Capex | 34 | 65 | 735 | 116 |

External revenues decreased in Transmission compared to the fourth quarter of 2003 as a result of decreased revenues within satellite operations as a result of transition from analogue to digital distribution, which is a more efficient distribution method and demands less capacity.

Investment in a new satellite in August 2004 contributed to reduced costs for leased satellite capacity, and was the main reason for the increase in EBITDA margin compared to the fourth quarter of 2004.

Increased depreciation and amortization was primarily due to the acquisition of an ownership interest in a new satellite in the third quarter of 2004 and increased capital expenditure in the analogue broadcasting network in the fourth quarter of 2003.

BROADCAST OTHER

Increased revenues in Broadcast Other compared to the fourth quarter of 2003 was due to increased sales of smart cards and services related to access control for Pay TV in international markets.

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OTHER ACTIVITIES

EDB BUSINESS PARTNER

| (NOK in millions) | 4th quarter | | Year | |
|-------------------------------------|--------------|--------------|--------------|--------------|
| | 2004 | 2003 | 2004 | 2003 |
| External revenues | 902 | 830 | 3,311 | 3,210 |
| Internal revenues | 236 | 283 | 924 | 1,060 |
| Gains on disposal | (6) | | 295 | 19 |
| Total revenues | 1,132 | 1,113 | 4,530 | 4,289 |
| | | | | |
| EBITDA | 173 | 177 | 924 | 399 |
| Depreciation and amortization | 107 | 98 | 400 | 375 |
| Write-downs | | 11 | | 28 |
| Operating profit (loss) | 66 | 68 | 524 | (4) |
| | | | | |
| EBITDA/Total revenues (%) | 15.3 | 15.9 | 20.4 | 9.3 |
| Operating profit/Total revenues (%) | 5.8 | 6.1 | 11.6 | nm |
| | | | | |
| Investments: | | | | |
| Capex | 116 | 65 | 233 | 210 |
| Investments in businesses | 674 | | 1,076 | 95 |

Telenor's ownership interest in EDB Business Partner was 51.8% at the end of 2004.

In fourth quarter of 2004, EDB Business Partner entered into an agreement to take over IBM's activities in the area of IT operations and application services for Norwegian customers in the local public sector, distribution sector and industry sector for a price of NOK 473 million. Further, EDB Business Partner entered into an agreement to purchase Capgemini's activities in the IT operations area in Sweden and Norway for a price of NOK 185 million. The activities were purchased 31 December 2004 and are expected to generate revenues of approximately NOK 880 million in 2005.

Adjusted for the disposal of operations and gains, revenues increased by 13% compared to the fourth quarter of 2003, of which IT Operations increased by 17%, Banking & Finance increased by 4% and Telecom declined by 11%. The increase in IT Operations was due primarily to the acquisition of parts of the Operation services business by Telenor in the second quarter of 2004.

EBITDA was in line with the fourth quarter of 2003. Within IT Operations and Banking & Finance EBITDA increased, while EBITDA in Telekom was lower than in the fourth quarter of 2003.

Capital expenditure increased compared to the fourth quarter of 2003 due primarily to investments due to new customer contracts, investments in premises and investments related to acquired activities.

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OTHER BUSINESS UNITS

Revenues

| (NOK in millions) | 4th quarter | | Year | |
|--|-------------|--------------|--------------|--------------|
| | 2004 | 2003 | 2004 | 2003 |
| Satellite Services | 573 | 603 | 2,385 | 2,540 |
| Nextra International | | | | 256 |
| Software Services | | 73 | 60 | 121 |
| Other | 241 | 338 | 1,018 | 1,240 |
| Eliminations | (1) | (1) | (3) | (3) |
| Revenues | 813 | 1,013 | 3,460 | 4,154 |
| Gains on disposal | 65 | 35 | 135 | 51 |
| Total revenues | 878 | 1,048 | 3,595 | 4,205 |
| EBITDA | 166 | 232 | 524 | 408 |
| Depreciation and amortization ¹⁾ | 85 | 147 | 372 | 491 |
| Write-downs ¹⁾ | | 23 | 39 | 37 |
| Operating profit (loss) | 81 | 62 | 113 | (120) |
| ¹⁾ Include amortization and write-downs of Telenor's net excess values by | 10 | 11 | 37 | 40 |

Operating profit (loss)

| (NOK in millions) | 4th quarter | | Year | |
|--------------------------------------|-------------|-----------|------------|--------------|
| | 2004 | 2003 | 2004 | 2003 |
| Satellite Services | 18 | 58 | 108 | 234 |
| Nextra International | 13 | 34 | 13 | (220) |
| Software Services | (2) | (3) | (87) | (86) |
| Other | 52 | (27) | 79 | (48) |
| Total operating profit (loss) | 81 | 62 | 113 | (120) |

Investments:

| | | | | |
|---------------------------|----|----|-----|-----|
| Capex | 91 | 94 | 215 | 233 |
| Investments in businesses | 75 | 13 | 200 | 30 |

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Satellite Services

The decrease in revenues in Satellite Services compared to the fourth quarter of 2003 was primarily due to the effect of the strengthening of the Norwegian Krone against the US Dollar, partially offset by the net effect of the acquisition and disposal of operations.

The operating profit decreased compared to the fourth quarter of 2003 primarily due to the same reasons as mentioned above, but in addition, due to reduced margins.

Software Services

The agreement with Computer Associate was sold to EDB Business Partner and the operations were discontinued in Software Services in the third quarter of 2004.

Other

Other business includes primarily operations within Venture and International Business. Teleservice was acquired by Venture in the fourth quarter and is now included in Other . The decrease in revenues and the positive operating profit compared to the fourth quarter of 2003 were primarily due to the sale of subsidiaries.

Gains on disposal

Gains on disposal in the third quarter of 2004 were primarily connected to disposal of companies in Telenor Venture.

Investments in businesses

Investments in businesses in the fourth quarter of 2004 were primarily related to Satellite Services purchase of Neratek AS.

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CORPORATE FUCTIONS AND GROUP ACTIVITIES

| (NOK in millions) | 4th quarter | | Year | |
|-------------------------------|--------------|--------------|--------------|--------------|
| | 2004 | 2003 | 2004 | 2003 |
| External revenues | 68 | 71 | 256 | 229 |
| Internal revenues | 459 | 478 | 1,833 | 1,955 |
| Gains on disposal | 34 | 87 | 104 | 133 |
| Total revenues | 561 | 636 | 2,193 | 2,317 |
| | | | | |
| EBITDA | (82) | (32) | (81) | 23 |
| Depreciation and amortization | 97 | 101 | 384 | 384 |
| Write-downs | | 3 | 3 | 3 |
| Operating (loss) | (179) | (136) | (468) | (364) |
| | | | | |
| Investments: | | | | |
| Capex | 49 | 162 | 234 | 253 |
| Investments in businesses | 36 | 83 | 54 | 93 |

Increased EBITDA loss compared to the fourth quarter of 2003 was primarily related to reduced gains on disposal and increased pension costs, which partially were offset by decreased operating expenses. Gains on disposal in the fourth quarter of 2004 were primarily related to sale of subsidiaries. A change in the accounting treatment of pensions in the group resulted in an increase in pension costs of NOK 94 million in the fourth quarter, offset by reduced pension costs in the business areas. The total effect for the group was slightly negative. The decrease in operating expenses was related to high costs associated with group projects and M&A activities in the fourth quarter of 2003.

Reduced capital expenditure compared to the fourth quarter of 2003 was due to lower investments in properties.

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OTHER PROFIT AND LOSS ITEMS FOR THE GROUP

Depreciation, amortization and write-downs

| (NOK in millions) | 4th quarter | | Year | |
|--|--------------|--------------|---------------|---------------|
| | 2004 | 2003 | 2004 | 2003 |
| Depreciation of tangible assets | 1,709 | 1,956 | 7,667 | 7,986 |
| Amortization of goodwill *) | 233 | 162 | 939 | 686 |
| Amortization of other intangible assets *) | 1,046 | 523 | 3,017 | 1,925 |
| Total depreciation and amortization | 2,988 | 2,641 | 11,623 | 10,597 |
| Write-downs of tangible and other intangible assets | 260 | 58 | 268 | 104 |
| Write-downs of goodwill | 2,191 | | 2,194 | 16 |
| Write-downs of other intangible assets | 99 | 11 | 134 | 25 |
| Total write-downs | 2,550 | 69 | 2,596 | 145 |
| Total depreciation, amortization and write-downs | 5,538 | 2,710 | 14,219 | 10,742 |

*) See specification below.

The decrease in depreciation of tangible assets and the increase in amortization of other intangible assets in the fourth quarter compared to the previous quarters of 2004 were primarily due to reclassifications between tangible and intangible assets, primarily related to Sonofon and DiGi.Com.

In the fourth quarter of 2004 Telenor has written down goodwill related to Sonofon with NOK 2,190 million.

Table of Contents*) **Specification of amortization of goodwill and other intangible assets (including amortization of Telenor's net excess values)**

| (NOK in millions) | 4th quarter | | Year | |
|--|--------------|------------|--------------|--------------|
| | 2004 | 2003 | 2004 | 2003 |
| Amortization of goodwill | | | | |
| Sonofon | 69 | | 266 | |
| DiGi.Com | 11 | 12 | 46 | 48 |
| Pannon GSM | 81 | 77 | 325 | 308 |
| Kyivstar | 8 | 9 | 37 | 39 |
| ProMonte | 1 | | 2 | |
| Other Mobile | 2 | | 2 | 5 |
| Total Mobile | 172 | 98 | 678 | 400 |
| Fixed | (28) | (27) | (105) | (95) |
| Broadcast | 45 | 40 | 192 | 197 |
| EDB Business Partner | 41 | 41 | 158 | 151 |
| Other units | 3 | 10 | 16 | 33 |
| Total amortization of goodwill | 233 | 162 | 939 | 686 |
| Amortization of other intangible assets | | | | |
| Sonofon | 432 | | 975 | |
| DiGi.Com | 62 | 20 | 123 | 83 |
| Pannon GSM | 145 | 123 | 605 | 564 |
| Kyivstar | 66 | 57 | 255 | 213 |
| ProMonte | 27 | | 39 | |
| Other Mobile | 96 | 81 | 336 | 374 |
| Total Mobile | 828 | 281 | 2,333 | 1,234 |
| Fixed | 108 | 110 | 399 | 431 |
| Broadcast | 27 | 31 | 92 | 78 |
| EDB Business Partner | 1 | (4) | 1 | 1 |
| Other units | 82 | 105 | 192 | 181 |
| Total amortization of other intangible assets | 1,046 | 523 | 3,017 | 1,925 |

Amortization of goodwill in Fixed in 2003 and 2004 was recorded as income due to amortization of the negative goodwill related to Utfors AB.

Table of Contents**Associated companies**

| (NOK in millions) | 4th quarter | | Year | |
|---|-------------|--------------|------------|--------------|
| | 2004 | 2003 | 2004 | 2003 |
| Telenors share of ¹⁾ | | | | |
| Net income after taxes | 110 | (65) | 912 | 329 |
| Amortization of Telenor s net excess values | (43) | (98) | (226) | (579) |
| Write-downs of Telenor s excess values | | (15) | | (26) |
| Gains on disposal of ownership interests | 15 | (1) | 32 | 1,507 |
| Net result from associated companies | 82 | (179) | 718 | 1,231 |

1) The figures are partially 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 .

Increased net income after taxes from associated companies compared to the fourth quarter of 2003 was primarily due to Bravida. In the fourth quarter of 2004 Bravida sold parts of its business with a gain before taxes. Net income for Bravida was materially affected by expenses for restructuring measures in the fourth quarter of 2003 and 2004.

The decrease in amortization of Telenor s net excess values compared to the fourth quarter of 2003 was primarily due to the reduced amortization of net excess value on companies, which are no longer associated companies, primarily Sonofon, partially offset by adjustments made in the fourth quarter of 2003.

Financial items

| (NOK in millions) | 4th quarter | | Year | |
|------------------------------------|--------------|--------------|--------------|----------------|
| | 2004 | 2003 | 2004 | 2003 |
| Financial income | 153 | 173 | 496 | 586 |
| Financial expenses | (330) | (428) | (1,534) | (2,023) |
| Net foreign currency gain (loss) | (60) | (56) | (87) | (1) |
| Net gains (losses) and write-downs | 20 | 201 | 2,651 | 73 |
| Net financial items | (217) | (110) | 1,526 | (1,365) |
| Gross interest expenses | (353) | (440) | (1,576) | (2,033) |
| Net interest expenses | (270) | (291) | (1,182) | (1,549) |

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The decrease in financial income compared to the fourth quarter of 2003 was primarily due to reduced interest revenues as a consequence of a decline in interest rates in the market and a lower level of liquid assets, partially offset by dividends received in the fourth quarter of 2004.

The decrease in average interest-bearing liabilities and average interest rates contributed to the decrease in financial expenses compared to the fourth quarter of 2003.

Taxes

The nominal Norwegian corporate income tax (CIT) rate is 28%. The effective tax rate for the Telenor Group, for fiscal year 2004, is estimated to 28% of profit before income tax and minority interests. Increased estimated effective tax due to amortization and write-downs of goodwill on which deferred tax assets have not been recognized was offset by tax losses on sale and liquidation of shares and a reduction in deferred tax on undistributed earnings, as discussed below. The actual effective tax rate for 2004 may deviate from the estimated rate.

In December 2004, new tax rules were enacted by the Norwegian Parliament. The major changes for corporations were the introduction of the Exemption Method . According to this new legislation, capital gains deriving from the sale of shares and dividends received from subsidiaries will be tax exempt. However, any loss deriving from the sale or other disposal of shares will no longer be tax deductible. The new rules in respect of dividends received became effective as of 1 January 2004, while the capital gains rules/non deductibility of capital losses came into effect as of 26 March 2004. Certain transitional rules were enacted. One of these transitional rules allows net losses from (external) disposal of shares, recognised in the period between 26 March and 31 December 2004 to be offset against otherwise taxable gains recognised on disposal of shares in the period between 1 January and 26 March 2004. When new rules are introduced there may be disagreements on the interpretation of the new rules and the transitional rules.

As a consequence of the Exemption Method , previously recognized deferred tax assets of NOK 0.5 billion were expensed by our subsidiary EDB Business Partner ASA. These deferred tax assets related to the liquidation of subsidiaries, which had not been decided by the appropriate corporate body prior to 26 March 2004.

However, Telenor has benefited from net capital (tax) losses derived from disposals and liquidations of subsidiaries during the period between 26 March and 31 December 2004. According to the transitional rules, the net tax losses recognised have been offset against the otherwise taxable gain deriving from our sale of shares in Cosmote during the first quarter of 2004.

As a consequence of the Exemption Method , Telenor will no longer recognize deferred (Norwegian) income tax on undistributed earnings in its foreign subsidiaries and associated companies except where we still are subject to foreign withholding tax at source that will be levied upon distribution of dividends. This change in tax legislation had a positive effect of approximately NOK 0.6 billion on previously recognized deferred income tax on undistributed earnings in subsidiaries, of which NOK 0.5 billion is related to Pannon GSM.

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Balance sheet and cash flow

The book value of other intangible assets, tangible assets and associated companies decreased compared to the end of the third quarter of 2004, primarily due to the strengthening of the Norwegian Krone compared to other currencies. The decrease in goodwill was primarily related to the write-down of Sonofon.

Net interest bearing liabilities decreased by NOK 1.4 billion compared to the end of the third quarter of 2004 to NOK 19.2 billion at the end of 2004. During the fourth quarter of 2004 we received payments for the sale of some investments. Payments for capital expenditures were lower than reported capital expenditures, partially because only a part of the UMTS license in Pannon GSM was paid in this quarter. Currency fluctuations decreased net interest-bearing liabilities measured in Norwegian Krone by approximately NOK 0.2 billion.

During the fourth quarter of 2004, Telenor did not purchase own shares in the market. If the general meeting of Telenor's shareholders in 2005 approves to redeem shares owned by the Kingdom of Norway corresponding to Telenor's repurchase of own shares in the market in the second and the third quarter of 2004, in such a way that the Kingdom of Norway's ownership interest remains unchanged, shareholders equity will be reduced by an additional NOK 0.8 billion at the time of the general meeting.

As of 31 December 2004, equity was reduced by NOK 2.6 billion for dividends that will be proposed for 2004.

Minority interests in the balance sheet decreased compared to the end of the third quarter of 2004, primarily due to Telenor's increased ownership in GrameenPhone and the net loss in EDB Business Parter due to expensing of previously recognized deferred tax assets. Currency fluctuations also contributed to the decrease.

DISPUTES

In November 2003, Sense Communication International AS (Sense) initiated legal proceedings against Telenor, based on allegations that Telenor prices in the service provider agreement for the period 2000 until 2003 had been excessive and not in accordance with the requirements for cost oriented pricing. The claim was limited upward to NOK 255 million plus interest and legal expenses. In a judgement from the Asker and Bærum District Court in November 2004 Telenor was acquitted. Sense has appealed the decision and has extended the claim to include 2004 and claim NOK 300 million plus interest and legal expenses.

Please refer to note 24 to Telenor's annual report for 2003 and previous quarterly reports in 2004 for more information about legal proceedings.

US GAAP

Net income and equity according to United States Generally Accepted Accounting Principles (US GAAP) will be published in the annual report for 2004.

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OUTLOOK FOR 2005

The strong growth in revenues and subscriptions during 2004 gives Telenor a good basis for further improvement of profits.

A continued high growth in revenue and EBITDA is expected, in particular driven by the international mobile operations. Telenor will continue previously implemented cost efficiency activities and identify new initiatives. This will compensate for intensified competition and costs related to new operations. High capital expenditure is expected for 2005, in which capital expenditure in proportion of revenues is expected to be in line with or slightly exceed 2004. Capital expenditure is driven by considerable network investments in Kyivstar, Telenor Pakistan, GrameenPhone and DiGi.Com. In addition, we expect further UMTS investments.

For Telenor's mobile operations, a high growth in revenues and EBITDA is expected to continue in 2005. We will implement cost reductions and improvements, in particular within our Nordic operations.

In Fixed Norway, revenue and EBITDA is anticipated to slightly decrease. The strong growth in the number of ADSL subscriptions is expected to continue. This fact, in addition to increased revenues from wholesale, does not fully offset decreased revenues from PSTN/ISDN.

In Broadcast and other units, we expect EBITDA to improve in 2005 compared to 2004.

A continuously increasing share of Telenor's revenues and profits come from operations outside Norway. Currency fluctuations will to an increasing extent influence the reported figures in Norwegian Krone. Political risk, including regulatory conditions, might also influence the profits.

Telenor anticipates that profits exclusive special items, overall will grow in 2005 compared to 2004.

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 2003, and in accordance with the Norwegian accounting standard for interim reporting.

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 for 2005 contains forward-looking statements regarding the group's expectations. All statements regarding the future are subject to inherent risks and uncertainties, and many factors can lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements. These factors include the risk factors relating to Telenor's activities described in Telenor's Annual Report 2003 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, 15 February 2005

The Board of Directors of Telenor ASA

Table of Contents**Profit and loss statement**

| Telenor group (NOK in millions except net income per share) | 4th quarter | | Year | |
|---|--------------------|---------------|---------------|---------------|
| | 2004 | 2003 | 2004 | 2003 |
| Revenues | 15,608 | 13,671 | 60,752 | 52,889 |
| Gains on disposal of fixed assets and operations | 105 | 130 | 550 | 232 |
| Total revenues | 15,713 | 13,801 | 61,302 | 53,121 |
| Costs of materials and traffic charges | 4,306 | 3,258 | 16,086 | 13,094 |
| Own work capitalized | (166) | (173) | (557) | (571) |
| Salaries and personnel costs | 2,750 | 2,550 | 10,021 | 9,561 |
| Other operating expenses | 4,311 | 3,255 | 14,857 | 12,506 |
| Losses on disposal of fixed assets and operations | (7) | 28 | 74 | 229 |
| Depreciation and amortization | 2,988 | 2,641 | 11,623 | 10,597 |
| Write-downs | 2,550 | 69 | 2,596 | 145 |
| Total operating expenses | 16,732 | 11,628 | 54,700 | 45,561 |
| Operating profit | (1,019) | 2,173 | 6,602 | 7,560 |
| Associated companies | 82 | (179) | 718 | 1,231 |
| Net financial items | (217) | (110) | 1,526 | (1,365) |
| Profit before taxes and minority interests | (1,154) | 1,884 | 8,846 | 7,426 |
| Taxes | 916 | (604) | (2,484) | (2,376) |
| Minority interests | (144) | (281) | (1,134) | (490) |
| Net income | (382) | 999 | 5,228 | 4,560 |
| Net income per share in NOK basic and diluted | (0.22) | 0.56 | 2.99 | 2.57 |

Table of Contents**BALANCE SHEET**

| Telenor group (NOK in millions) | 31.12.2004 | 30.09.2004 | 31.12.2003 |
|---|-------------------|-------------------|-------------------|
| Deferred tax assets | 3,068 | 1,245 | 3,850 |
| Goodwill | 12,114 | 14,546 | 9,224 |
| Intangible assets | 11,432 | 10,897 | 5,536 |
| Tangible assets | 37,495 | 38,083 | 35,722 |
| Associated companies | 6,436 | 6,672 | 10,166 |
| Other financial assets | 1,247 | 2,414 | 3,848 |
| Total fixed assets | 71,792 | 73,857 | 68,346 |
| Other current assets | 11,205 | 11,222 | 9,819 |
| Liquid assets | 5,398 | 4,404 | 7,945 |
| Total current assets | 16,603 | 15,626 | 17,764 |
| Total assets | 88,395 | 89,483 | 86,110 |
| Paid-in equity | 27,350 | 27,318 | 29,311 |
| Other equity | 12,674 | 15,600 | 9,978 |
| Cumulative translation adjustments | (2,561) | (1,670) | (2,052) |
| Shareholders equity | 37,463 | 41,248 | 37,237 |
| Minority interests | 3,986 | 4,342 | 3,646 |
| Total equity and minority interests | 41,449 | 45,590 | 40,883 |
| Provisions | 3,837 | 2,860 | 1,645 |
| Long-term interest-bearing liabilities | 20,739 | 22,852 | 22,703 |
| Long-term non-interest-bearing liabilities | 589 | 723 | 754 |
| Total long-term liabilities | 21,328 | 23,575 | 23,457 |
| Short-term interest-bearing liabilities | 3,854 | 2,148 | 3,059 |
| Short-term non-interest-bearing liabilities | 17,927 | 15,310 | 17,066 |
| Total short-term liabilities | 21,781 | 17,458 | 20,125 |
| Total equity and liabilities | 88,395 | 89,483 | 86,110 |

Next years installment is reclassified from long-term to short-term interest-bearing liabilities in previous periods.

Table of Contents**CHANGE IN SHAREHOLDERS EQUITY**

| | 01.01.2004 | 01.01.2004 | 01.01.2003 |
|--|-------------------|-------------------|-------------------|
| | - | - | - |
| (NOK in millions) | 31.12.2004 | 30.09.2004 | 31.12.2003 |
| Shareholders equity as of 1 January | 37,237 | 37,237 | 33,685 |
| Net income | 5,228 | 5,610 | 4,560 |
| Dividends | (2,590) | 12 | (1,776) |
| Employee share issue | 59 | 27 | 26 |
| Acquisition Comincom/Combella | | | (35) |
| Acquisition GrameenPhone | (168) | | (39) |
| Acquisition ProMonte | 164 | | |
| Share buy back | (2,020) | (2,020) | |
| Equity adjustments in associated companies | 62 | | |
| Translation adjustments | (509) | 382 | 816 |
| Shareholders equity | 37,463 | 41,248 | 37,237 |

Table of Contents**CASH FLOW STATEMENT**

| Telenor group (NOK in millions) | 4th quarter | | Year | |
|---|--------------------|----------------|-----------------|----------------|
| | 2004 | 2003 | 2004 | 2003 |
| Profit before taxes and minority interests | (1,154) | 1,884 | 8,846 | 7,426 |
| Taxes paid | (274) | (401) | (1,516) | (3,283) |
| Net (gains) losses including write-downs of financial items | (132) | (303) | (3,127) | (76) |
| Depreciation, amortization and write-downs | 5,538 | 2,710 | 14,219 | 10,742 |
| Associated companies | (82) | 179 | (718) | (1,231) |
| Difference between expensed and paid pensions | 13 | 288 | 362 | 134 |
| Currency (gains) losses not relating to operating activities | 34 | (29) | 57 | (78) |
| Change in other accruals | 1,049 | 587 | 868 | 42 |
| Net cash flow from operating activities | 4,992 | 4,915 | 18,991 | 13,676 |
| Payments on purchase of tangible and intangible assets | (3,398) | (2,377) | (11,613) | (6,536) |
| Payments on purchase of subsidiaries and associated companies, net of cash received | (1,046) | (271) | (6,281) | (506) |
| Proceeds from sale of tangible and intangible assets and businesses, net of cash payed | 395 | 335 | 1,112 | 2,850 |
| Proceeds from sale of and payments for other investments | 697 | 730 | 3,751 | 738 |
| Net cash flow from investment activities | (3,352) | (1,583) | (13,031) | (3,454) |
| Proceeds and payments interest-bearing liabilities | (485) | (953) | (4,311) | (7,022) |
| Issuance of shares and repayment of equity | 7 | (4) | 33 | 25 |
| Share buy back | | | (2,020) | |
| Dividends paid to minority interests | (4) | | (193) | |
| Dividends paid to Telenor's shareholders | | (91) | (1,764) | (890) |
| Net cash flow from financing activities | (482) | (1,048) | (8,255) | (7,887) |
| Effect on cash and cash equivalents of changes in foreign exchange rates | (174) | 3 | (268) | 45 |
| Net change in cash and cash equivalents | 984 | 2,287 | (2,563) | 2,380 |
| Cash and cash equivalents at the beginning of the period | 4,097 | 5,357 | 7,644 | 5,264 |
| Cash and cash equivalents at the end of the period | 5,081 | 7,644 | 5,081 | 7,644 |

Table of Contents**THE BUSINESS AREAS 4TH QUARTER**

| | Total | | of which | | | | Operating | | Associated | | Net | | Profit (loss) | |
|------------------|------------------------|---------------|------------------------|---------------|--------------|--------------|----------------|--------------|------------|--------------|--------------|--------------|----------------|--------------|
| | | | | | | | profit | | | | financial | | before taxes | |
| | revenues ¹⁾ | | external ¹⁾ | | EBITDA | | (loss) | | companies | | items | | and minority | |
| (in millions) | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Mobile | 8,655 | 6,311 | 8,324 | 5,963 | 2,339 | 2,494 | (1,789) | 1,432 | 38 | (17) | (278) | (489) | (2,029) | 92 |
| Fixed | 4,793 | 5,175 | 4,283 | 4,686 | 1,552 | 1,622 | 699 | 568 | 24 | 7 | (48) | (155) | 675 | 42 |
| Broadcast | 1,375 | 1,310 | 1,342 | 1,273 | 333 | 379 | 101 | 132 | (2) | (18) | (93) | (284) | 6 | (17) |
| DB Business | | | | | | | | | | | | | | |
| Partner | 1,132 | 1,113 | 896 | 830 | 173 | 177 | 66 | 68 | | | (7) | (5) | 59 | 6 |
| Other business | | | | | | | | | | | | | | |
| Units | 878 | 1,048 | 766 | 891 | 166 | 232 | 81 | 62 | 21 | (151) | 23 | (6) | 125 | (9) |
| Corporate | | | | | | | | | | | | | | |
| Functions and | | | | | | | | | | | | | | |
| Group activities | 561 | 636 | 102 | 158 | (82) | (32) | (179) | (136) | 2 | | 204 | 652 | 27 | 51 |
| Eliminations | (1,681) | (1,792) | | | 38 | 11 | 2 | 47 | (1) | | (18) | 177 | (17) | 22 |
| Total | 15,713 | 13,801 | 15,713 | 13,801 | 4,519 | 4,883 | (1,019) | 2,173 | 82 | (179) | (217) | (110) | (1,154) | 1,888 |

THE BUSINESS AREAS FOR THE YEAR

| | Total | | of which | | | | Operating | | Associated | | Net financial | | Profit (loss) | |
|------------------|------------------------|---------------|------------------------|---------------|---------------|---------------|--------------|--------------|------------|--------------|---------------|----------------|---------------|--------------|
| | | | | | | | profit | | | | items | | before taxes | |
| | revenues ¹⁾ | | external ¹⁾ | | EBITDA | | (loss) | | companies | | and minority | | interest | |
| (in millions) | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Mobile | 32,952 | 23,810 | 31,570 | 22,483 | 11,618 | 9,567 | 3,027 | 5,224 | 694 | 1,639 | 873 | (2,182) | 4,594 | 4,594 |
| Fixed | 19,266 | 20,509 | 17,440 | 18,796 | 6,277 | 6,665 | 2,794 | 2,531 | 50 | 8 | (438) | (736) | 2,406 | 1,406 |
| Broadcast | 5,347 | 4,820 | 5,212 | 4,661 | 1,495 | 1,229 | 589 | 181 | 1 | (84) | (471) | (909) | 119 | (119) |
| DB Business | | | | | | | | | | | | | | |
| Partner | 4,530 | 4,289 | 3,606 | 3,229 | 924 | 399 | 524 | (4) | | (13) | (44) | (71) | 480 | (480) |
| Other business | | | | | | | | | | | | | | |
| Units | 3,595 | 4,205 | 3,114 | 3,590 | 524 | 408 | 113 | (120) | (32) | (318) | (27) | (314) | 54 | (54) |
| Corporate | | | | | | | | | | | | | | |
| Functions and | | | | | | | | | | | | | | |
| Group activities | 2,193 | 2,317 | 360 | 362 | (81) | 23 | (468) | (364) | 3 | (2) | 1,646 | 2,846 | 1,181 | 2,181 |
| Eliminations | (6,581) | (6,829) | | | 64 | 11 | 23 | 112 | 2 | 1 | (13) | 1 | 12 | (12) |
| Total | 61,302 | 53,121 | 61,302 | 53,121 | 20,821 | 18,302 | 6,602 | 7,560 | 718 | 1,231 | 1,526 | (1,365) | 8,846 | 7,560 |

Table of Contents

| FINANCIAL INFORMATION | 2002 | | | | 2003 | | | | 2004 | | |
|---|--------|--------|--------|---------|--------|--------|--------|--------|--------|--------|--------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| Revenue (NOK in millions) | 11,563 | 12,011 | 12,210 | 13,042 | 12,606 | 13,223 | 13,491 | 13,801 | 14,284 | 15,624 | 15,681 |
| Operating profit (loss) (NOK in millions) | 2,926 | 3,155 | 3,778 | 3,599 | 4,184 | 4,448 | 4,886 | 4,781 | 5,010 | 5,342 | 5,586 |
| Operating profit (loss) before taxes and minority interests (NOK in millions) | 602 | 691 | 488 | (2,101) | 1,475 | 1,612 | 2,300 | 2,173 | 2,282 | 2,739 | 2,600 |
| Operating margin (%) | 31 | 383 | (105) | (5,445) | 1,047 | 2,490 | 2,005 | 1,884 | 4,674 | 2,662 | 2,664 |
| Operating ratio including minority interests (%) | 49.4 | 48.2 | 46.7 | 41.7 | 42.6 | 45.5 | 48.0 | 47.0 | 47.2 | 48.6 | 50.9 |
| Operating assets (NOK in millions) | 24,449 | 25,717 | 27,645 | 26,872 | 26,139 | 25,317 | 21,584 | 17,817 | 19,297 | 21,973 | 20,596 |
| Operating assets per share | 2.6 | 2.5 | 2.3 | 2.0 | 1.8 | 1.6 | 1.3 | 1.0 | 1.0 | 1.1 | 1.0 |
| Operating assets per share (NOK in millions) | 1,879 | 2,161 | 2,169 | 2,680 | 1,230 | 1,314 | 1,460 | 2,450 | 1,471 | 4,012 | 3,140 |
| Operating assets per share in businesses (NOK in millions) | 8,875 | 2,271 | 493 | 772 | 23 | 268 | 9 | 263 | 3,749 | 294 | 644 |
| Operating assets per share (NOK in millions) | 22,250 | 21,650 | 22,350 | 22,100 | 21,200 | 21,150 | 20,300 | 19,450 | 20,600 | 20,200 | 20,700 |
| Operating assets per share (NOK in millions) - abroad | 7,700 | 7,800 | 8,600 | 8,900 | 8,700 | 8,700 | 8,100 | 7,450 | 8,650 | 8,750 | 9,450 |
| E | | | | | | | | | | | |
| Mobil Norway | | | | | | | | | | | |
| Mobile subscriptions (NMT (in thousands)) | 2,314 | 2,360 | 2,409 | 2,382 | 2,342 | 2,330 | 2,364 | 2,364 | 2,378 | 2,451 | 2,562 |
| GSM subscriptions (in thousands) | 2,249 | 2,299 | 2,352 | 2,330 | 2,294 | 2,285 | 2,324 | 2,327 | 2,346 | 2,422 | 2,536 |
| Prepaid (in thousands) | 1,051 | 1,094 | 1,131 | 1,115 | 1,093 | 1,091 | 1,120 | 1,099 | 1,091 | 1,118 | 1,178 |
| Minutes per GSM | 171 | 185 | 186 | 178 | 178 | 190 | 195 | 189 | 192 | 198 | 198 |
| Revenue per GSM | 334 | 351 | 359 | 340 | 330 | 346 | 354 | 326 | 332 | 348 | 345 |
| Revenue per month in the (ARPU): | 481 | 511 | 528 | 492 | 480 | 501 | 519 | 475 | 488 | 515 | 526 |
| Prepaid | 162 | 168 | 171 | 170 | 163 | 172 | 174 | 162 | 154 | 153 | 134 |
| SMS and content messages (in thousands) | 391 | 403 | 444 | 454 | 452 | 462 | 500 | 512 | 488 | 511 | 560 |
| Denmark | | | | | | | | | | | |
| Mobile subscriptions (in thousands) | | | | | | | | | 996 | 1,212 | 1,263 |
| Prepaid (in thousands) | | | | | | | | | 250 | 451 | 485 |
| Minutes per GSM | | | | | | | | | 165 | 185 | 175 |
| Revenue per month, generated (ARPU): | | | | | | | | | 270 | 255 | 242 |

| | | | | | | | | | | | | |
|---------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----|
| revenue per GSM | | | | | | | | | | | | |
| ion per month in the | | | | | | | | | | | | |
| ARPU): | | | | | | | | | | | | |
| h contract | | | | | | | | | | 313 | 322 | 315 |
| h prepaid | | | | | | | | | | 135 | 111 | 106 |
| MS and content messages | | | | | | | | | | | | |
| ons) | | | | | | | | | | 240 | 298 | 338 |
| Mobile Sweden | | | | | | | | | | | | |
| obile subscriptions (in | | | | | | | | | | | | |
| s) | | | | | 52 | 59 | 65 | 81 | 84 | 92 | 96 | |
| h prepaid (in thousands) | | | | | 26 | 23 | 28 | 44 | 48 | 54 | 56 | |
| minutes per GSM | | | | | | | | | | | | |
| ion per month, generated | | | | | | | | | | | | |
| inated | | | | | 28 | 41 | 67 | 76 | 80 | 104 | 118 | |
| revenue per GSM | | | | | | | | | | | | |
| ion per month in the | | | | | | | | | | | | |
| ARPU): | | | | | 119 | 160 | 207 | 199 | 188 | 202 | 218 | |
| h contract | | | | | 194 | 248 | 311 | 294 | 295 | 311 | 365 | |
| h prepaid | | | | | 44 | 49 | 56 | 105 | 105 | 122 | 118 | |
| Hungary | | | | | | | | | | | | |
| obile subscriptions (in | | | | | | | | | | | | |
| s) | 2,001 | 2,146 | 2,311 | 2,450 | 2,514 | 2,514 | 2,564 | 2,618 | 2,596 | 2,588 | 2,595 | |
| h prepaid (in thousands) | 1,446 | 1,596 | 1,767 | 1,910 | 1,989 | 1,981 | 2,019 | 2,023 | 1,977 | 1,936 | 1,886 | |
| minutes per GSM | | | | | | | | | | | | |
| ion per month, generated | | | | | | | | | | | | |
| inated | 113 | 115 | 112 | 112 | 104 | 110 | 113 | 116 | 111 | 121 | 127 | |
| revenue per GSM | | | | | | | | | | | | |
| ion per month in the | | | | | | | | | | | | |
| ARPU): | 182 | 184 | 177 | 177 | 153 | 165 | 170 | 173 | 169 | 176 | 184 | |
| h contract | 383 | 391 | 401 | 415 | 386 | 414 | 416 | 412 | 396 | 386 | 390 | |
| h prepaid | 97 | 98 | 94 | 100 | 86 | 92 | 97 | 99 | 94 | 97 | 100 | |
| Malaysia | | | | | | | | | | | | |
| obile subscriptions (100% | | | | | | | | | | | | |
| ands) | 1,159 | 1,284 | 1,454 | 1,616 | 1,803 | 1,946 | 2,055 | 2,207 | 2,416 | 2,585 | 2,806 | |
| h prepaid (100% in | | | | | | | | | | | | |
| s) | 1,044 | 1,176 | 1,351 | 1,519 | 1,708 | 1,850 | 1,953 | 2,101 | 2,301 | 2,453 | 2,653 | |
| minutes per GSM | | | | | | | | | | | | |
| ion per month, generated | | | | | | | | | | | | |
| inated | 197 | 189 | 185 | 185 | 177 | 175 | 177 | 176 | 167 | 164 | 170 | |
| revenue per GSM | | | | | | | | | | | | |
| ion per month in the | | | | | | | | | | | | |
| ARPU): | 169 | 158 | 138 | 145 | 123 | 111 | 117 | 117 | 116 | 110 | 112 | |
| h contract | 313 | 331 | 312 | 352 | 331 | 336 | 367 | 357 | 358 | 352 | 337 | |
| h prepaid | 150 | 142 | 124 | 131 | 112 | 100 | 105 | 105 | 104 | 98 | 100 | |
| Ukraine | | | | | | | | | | | | |
| obile subscriptions (100% | | | | | | | | | | | | |
| ands) | | | 1,659 | 1,856 | 2,012 | 2,205 | 2,512 | 3,037 | 3,221 | 3,610 | 4,856 | |
| h prepaid (100% in | | | | | | | | | | | | |
| s) | | | 1,283 | 1,472 | 1,614 | 1,768 | 2,037 | 2,503 | 2,675 | 3,031 | 4,211 | |
| minutes per GSM | | | 50 | 49 | 43 | 52 | 59 | 73 | 69 | 74 | 96 | |
| ion per month, generated | | | | | | | | | | | | |

| | | | | | | | | | | | |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| minated | | | | | | | | | | | |
| revenue per GSM | | | | | | | | | | | |
| ion per month in the | | | | | | | | | | | |
| ARPU): | | | 113 | 102 | 81 | 92 | 106 | 95 | 87 | 97 | 103 |
| h contract | | | 194 | 202 | 167 | 176 | 204 | 201 | 194 | 213 | 220 |
| h prepaid | | - - | 73 | 70 | 54 | 66 | 74 | 70 | 62 | 69 | 76 |
| nPhone Bangladesh | | | | | | | | | | | |
| obile subscriptions (100% | | | | | | | | | | | |
| ands) | 550 | 625 | 704 | 769 | 835 | 928 | 1,047 | 1,141 | 1,520 | 1,795 | 2,024 |
| h prepaid (100% in | | | | | | | | | | | |
| s) | 353 | 424 | 501 | 563 | 631 | 725 | 820 | 899 | 1,258 | 1,501 | 1,730 |
| minutes per GSM | | | | | | | | | | | |
| ion per month, generated | | | | | | | | | | | |
| minated | 207 | 222 | 229 | 224 | 221 | 225 | 233 | 230 | 239 | 246 | 249 |
| revenue per GSM | | | | | | | | | | | |
| ion per month in the | | | | | | | | | | | |
| ARPU): | 191 | 173 | 167 | 155 | 133 | 136 | 143 | 130 | 123 | 108 | 104 |
| h contract | 311 | 297 | 286 | 303 | 283 | 295 | 337 | 327 | 342 | 298 | 310 |
| h prepaid | 118 | 104 | 100 | 95 | 81 | 89 | 90 | 76 | 72 | 70 | 67 |
| te GSM Montenegro | | | | | | | | | | | |
| obile subscriptions (in | | | | | | | | | | | |
| s) | | | | | | | | | | | 340 |
| h prepaid (in thousands) | | | | | | | | | | | 297 |
| minutes per GSM | | | | | | | | | | | |
| ion per month, generated | | | | | | | | | | | |
| minated | | | | | | | | | | | 67 |
| revenue per GSM | | | | | | | | | | | |
| ion per month in the | | | | | | | | | | | |
| ARPU): | | | | | | | | | | | 176 |
| h contract | | | | | | | | | | | 504 |
| h prepaid | | | | | | | | | | | 92 |
| ed companies | | | | | | | | | | | |
| obile subscriptions (100% | | | | | | | | | | | |
| ands) | 12,424 | 14,425 | 14,814 | 16,116 | 17,158 | 15,105 | 17,035 | 19,478 | 21,028 | 24,594 | 28,662 |
| Norway | | | | | | | | | | | |
| arket | | | | | | | | | | | |
| STN subscriptions (in | | | | | | | | | | | |
| s) | 1,522 | 1,497 | 1,480 | 1,467 | 1,449 | 1,427 | 1,381 | 1,308 | 1,248 | 1,219 | 1,196 |
| DN subscriptions (lines in | | | | | | | | | | | |
| s) | 1,803 | 1,818 | 1,818 | 1,828 | 1,816 | 1,800 | 1,755 | 1,682 | 1,600 | 1,548 | 1,498 |
| DN generated traffic (mill. | | | | | | | | | | | |
|) | 4,702 | 4,392 | 3,864 | 4,387 | 4,268 | 3,876 | 3,454 | 3,787 | 3,725 | 3,279 | 2,851 |
| share of PSTN/ISDN | | | | | | | | | | | |
| d traffic (%) | 73 | 73 | 73 | 72 | 70 | 70 | 69 | 69 | 69 | 69 | 69 |
| online subscriptions | | | | | | | | | | | |
| al market (in thousands) | 370 | 359 | 347 | 337 | 315 | 304 | 301 | 294 | 286 | 276 | 263 |
| DSL subscriptions | | | | | | | | | | | |
| al market (in thousands) | 42 | 53 | 64 | 90 | 114 | 124 | 139 | 163 | 191 | 214 | 245 |
| DSL subscriptions business | | | | | | | | | | | |
| Norway (in thousands) | 1 | 2 | 3 | 4 | 7 | 10 | 11 | 14 | 17 | 21 | 25 |

le market

| | | | | | | | | | | | |
|-----------------------------------|----|----|----|----|----|----|----|-----|-----|-----|-----|
| STN subscriptions (in s) | | | | | 11 | 12 | 42 | 104 | 151 | 170 | 180 |
| ADN subscriptions (lines in s) | | | | | 14 | 17 | 52 | 126 | 188 | 215 | 234 |
| DSL subscriptions (in s) | 5 | 6 | 8 | 15 | 21 | 31 | 41 | 56 | 76 | 86 | 90 |
| LUB (in thousands) | 18 | 25 | 32 | 42 | 53 | 59 | 68 | 80 | 96 | 108 | 123 |

CAST

| | | | | | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| levision subscribers in the egion | | | | | | | | | | | |
| bers with satellite dish (in s) | 614 | 646 | 664 | 701 | 713 | 708 | 726 | 763 | 778 | 782 | 800 |
| TV subscribers (in s) | 557 | 559 | 561 | 571 | 575 | 590 | 594 | 604 | 605 | 611 | 614 |
| olds in small antenna orks (in thousands) | 1,140 | 1,126 | 1,129 | 1,133 | 1,130 | 1,049 | 1,100 | 1,098 | 1,132 | 1,161 | 1,190 |
| | 15 | 17 | 18 | 21 | 24 | 26 | 28 | 31 | 34 | 35 | 38 |

Table of Contents**Special items**

| (NOK in millions) | 4th quarter | | Year | |
|---|--------------|--------------|---------------|----------------|
| | 2004 | 2003 | 2004 | 2003 |
| EBITDA | 4,519 | 4,883 | 20,821 | 18,302 |
| Gains on disposal of fixed assets and operations | (105) | (130) | (550) | (232) |
| Losses on disposal of fixed assets and operations | (7) | 28 | 74 | 229 |
| EBITDA excluding gains and losses | 4,407 | 4,781 | 20,345 | 18,299 |
| Expenses for workforce reductions, loss contracts and exit from activities | | | | |
| Mobile | 615 | | 630 | (21) |
| Fixed | 39 | 30 | 86 | 6 |
| Broadcast | 3 | 5 | 5 | 7 |
| EDB Business Partner | (10) | 24 | 33 | 223 |
| Other business units | 11 | 6 | 28 | 38 |
| Corporate functions and Group activities | 10 | 18 | 116 | 34 |
| Eliminations | | | | |
| Total workforce reductions, loss contracts and exit from activities | 668 | 83 | 898 | 287 |
| Adjusted EBITDA | 5,075 | 4,864 | 21,243 | 18,586 |
| Write-downs | | | | |
| Mobile | 2,515 | 6 | 2,519 | 35 |
| Fixed | 15 | 17 | 15 | 24 |
| Broadcast | 20 | 9 | 20 | 18 |
| EDB Business Partner | | 11 | | 28 |
| Other business units | | 23 | 39 | 37 |
| Corporate functions and Group activities | | 3 | 3 | 3 |
| Eliminations | | | | |
| Total write-downs | 2,550 | 69 | 2,596 | 145 |
| Adjusted operating profit | 2,087 | 2,223 | 9,620 | 7,989 |
| Special items associated companies | | | | |
| (Gains) losses on disposal of ownership interests | (15) | 1 | (32) | (1,507) |
| Write-down Sonofon | | | | |
| Write-down DTAC/UCOM | | | | |
| Write-down Oniway | | | | |
| Other write-downs associated companies | | 14 | | 25 |
| Total special items associated companies | (15) | 15 | (32) | (1,482) |

| | | | | |
|---|--------------|--------------|----------------|--------------|
| Net (gains) losses and write-downs financial items | 67 | (201) | (2,564) | (73) |
| Adjusted profit (loss) before taxes and minority interests | 2,004 | 1,748 | 9,268 | 6,300 |

Reconciliations

| (NOK in millions) | 4th quarter | | Year | |
|--|----------------|--------------|---------------|---------------|
| | 2004 | 2003 | 2004 | 2003 |
| Net income (loss) | (382) | 999 | 5,228 | 4,560 |
| Minority interests | 144 | 281 | 1,134 | 490 |
| Taxes | (916) | 604 | 2,484 | 2,376 |
| Profit (loss) before taxes and minority interests | (1,154) | 1,884 | 8,846 | 7,426 |
| Net financial items | 217 | 110 | (1,526) | 1,365 |
| Associated companies | (82) | 179 | (718) | (1,231) |
| Operating profit (loss) | (1,019) | 2,173 | 6,602 | 7,560 |
| Depreciation and amortization | 2,988 | 2,641 | 11,623 | 10,597 |
| Write-downs | 2,550 | 69 | 2,596 | 145 |
| EBITDA | 4,519 | 4,883 | 20,821 | 18,302 |
| Net (gains) losses on disposal of fixed assets and operations | (112) | (102) | (476) | (3) |
| EBITDA excluding gains and losses | 4,407 | 4,781 | 20,345 | 18,299 |
| Expenses for workforce reductions, loss contracts and exit of activities | 668 | 83 | 898 | 287 |
| Adjusted EBITDA | 5,075 | 4,864 | 21,243 | 18,586 |
| Operating profit (loss) | (1,019) | 2,173 | 6,602 | 7,560 |
| Write-downs | 2,550 | 69 | 2,596 | 145 |
| Net (gains) losses on disposal of fixed assets and operations | (112) | (102) | (476) | (3) |
| Expenses for workforce reductions, loss contracts and exit of activities | 668 | 83 | 898 | 287 |
| Adjusted operating profit (loss) | 2,087 | 2,223 | 9,620 | 7,989 |
| Associated companies | 82 | (179) | 718 | 1,231 |
| Special items associated companies | (15) | 15 | (32) | (1,482) |
| Adjusted associated companies | 67 | (164) | 686 | (251) |
| Profit (loss) before taxes and minority interests | (1,154) | 1,884 | 8,846 | 7,426 |
| Write-downs | 2,550 | 69 | 2,596 | 145 |
| Net (gains) losses on disposal of fixed assets and operations | (112) | (102) | (476) | (3) |
| Expenses for workforce reductions, loss contracts and exit of activities | 668 | 83 | 898 | 287 |
| Special items associated companies | (15) | 15 | (32) | (1,482) |
| Net (gains) losses and write-downs financial items | 67 | (201) | (2,564) | (73) |
| Adjusted profit (loss) before taxes and minority interests | 2,004 | 1,748 | 9,268 | 6,300 |

