

TELENOR ASA
Form 6-K
October 31, 2003

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

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

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

TELENOR ASA

(Registrant's Name)

Snaroyveien 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 THIRD

30.10.03 08:11 **TEL QUARTER 2003 RESULTS**

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

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

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

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

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

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

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

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Telenor:

Results for the third quarter of 2003

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

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

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

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

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

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

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

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

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

Contact:

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To the editorial staff:

Joint press and analyst s presentation

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

Via Internet

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

International conference call

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

Material

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

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

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

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

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

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

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

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

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

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

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

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

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

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KEY FIGURES

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

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

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

³⁾ Capex is investments in tangible and intangible assets.

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

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

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

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

KEY FIGURES FOR THE BUSINESS AREAS

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

Revenues

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

EBITDA

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

¹⁾ EBITDA as a percentage of total revenues.

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

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

Operating profit (loss)

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

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

¹⁾ Operating profit as a percentage of total revenues.

BUSINESS AREAS
MOBILE

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

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

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

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

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Telenor Mobil Norway

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

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

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

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

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

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

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

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

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

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

Pannon GSM Hungary

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

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

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

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

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

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

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

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

Digi.Com Malaysia

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

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

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

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

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

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

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

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

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Kyivstar Ukraine

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

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

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

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

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

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

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

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

GrameenPhone Bangladesh

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

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

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

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

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

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

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

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

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

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

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

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

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

Associated companies and joint ventures in Mobile

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

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

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

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

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

FIXED

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

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

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Fixed Norway

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

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

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

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

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

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

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

Fixed Sweden

(NOK in millions)	3rd quarter		First three quarters		Year
	2003	2002	2003	2002	2002
External revenues	393	220	1,086	761	983
Internal revenues	19	18	62	60	76
Gains on disposal					14
Total revenues	412	238	1,148	821	1,073
EBITDA	14	(28)	(48)	(74)	(100)
Depreciation and amortization ¹⁾	(25)	46	105	175	218
Write-downs ¹⁾					