

CONSOLIDATED INCOME STATEMENT

Telenor Group 1 January – 31 December

NOK in millions, except earnings per share	Note	2017	2016
Revenues	6	124 756	125 395
Cost of materials and traffic charges	7	(31 039)	(32 547)
Salaries and personnel costs	8	(12 802)	(12 690)
Other operating expenses	9	(31 923)	(34 192)
Other income	10	1 311	528
Other expenses	10	(1 412)	(1 446)
EBITDA		48 891	45 048
Depreciation and amortisation	17, 18	(21 257)	(19 583)
Impairment losses	15, 17, 18	(895)	(1 159)
Operating profit		26 739	24 307
Share of net income (loss) from associated companies and joint ventures	19	531	1 517
Gains (losses) on disposal of associated companies and joint ventures	19	(5 148)	(3 313)
Financial income and expenses			
Financial income	12	1 652	420
Financial expenses	12	(3 061)	(2 929)
Net currency gains (losses)	12	1 036	(143)
Net change in fair value of financial instruments	12	425	(557)
Net gains (losses and impairment) of financial assets and liabilities	12	(216)	-
Net financial income (expenses)		(164)	(3 209)
Profit before taxes		21 959	19 302
Income taxes	13	(6 854)	(5 924)
Profit from continuing operations		15 105	13 378
Profit (loss) from discontinued operations	4	(207)	(7 572)
Net income		14 898	5 806
Net income attributable to:			
Non-controlling interests		2 915	2 974
Equity holders of Telenor ASA		11 983	2 832
Earnings per share in NOK			
Basic/Diluted from continuing operations		8.13	6.93
Basic/Diluted from discontinued operations		(0.14)	(5.04)
Basic/Diluted from total operations	14	7.99	1.89

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Telenor Group 1 January – 31 December

NOK in millions	Note	2017	2016
Net income		14 898	5 806
Other comprehensive income (loss)			
Translation differences on net investments in foreign operations	23	2 296	(4 646)
Income taxes		-	(15)
Amount reclassified from other comprehensive income to income statement on partial disposal	23	(7 744)	(3 865)
Income taxes reclassified	23	-	256
Net gain (loss) on hedge of net investments	23, 28	(1 426)	2 734
Income taxes		342	(684)
Amount reclassified from other comprehensive income to income statement on partial disposal	23	4 094	2 969
Income taxes reclassified	23	(1 119)	(816)
Net gain (loss) on available-for-sale investments	23	(848)	(43)
Amount reclassified from other comprehensive income to income statement on disposal	23	214	-
Share of other comprehensive income (loss) from associated companies and joint ventures	23	(342)	631
Amount reclassified from other comprehensive income to income statement on disposal	23	12 282	4 783
Items that may be reclassified subsequently to income statement		7 750	1 305
Remeasurement of defined benefit pension plans	23, 25	(63)	(304)
Income taxes		-	55
Items that will not be reclassified to income statement		(63)	(248)
Other comprehensive income (loss), net of taxes		7 687	1 056
Total comprehensive income (loss)		22 585	6 862
Total comprehensive income (loss) attributable to:			
Non-controlling interests		2 897	2 824
Equity holders of Telenor ASA		19 688	4 038

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Telenor Group as of 31 December

NOK in millions	Note	2017	2016
ASSETS			
Deferred tax assets	13	1 917	2 163
Goodwill	15, 16	26 446	24 519
Intangible assets	17	30 601	33 057
Property, plant and equipment	18	75 557	72 016
Associated companies and joint ventures	19	480	15 773
Other non-current assets	21	13 297	5 800
Total non-current assets		148 298	153 328
Prepaid taxes		1 076	737
Inventories		1 773	1 802
Trade and other receivables	20	24 749	24 876
Other current financial assets	21	1 622	2 489
Assets classified as held for sale	4	1 701	2
Cash and cash equivalents	22	22 546	23 085
Total current assets		53 468	52 991
Total assets		201 765	206 319
EQUITY AND LIABILITIES			
Equity attributable to equity holders of Telenor ASA	23	57 496	50 879
Non-controlling interests	23	4 839	4 517
Total equity		62 335	55 396
Liabilities			
Non-current interest-bearing liabilities	27	51 587	60 391
Non-current non-interest-bearing liabilities	26	1 105	3 816
Deferred tax liabilities	13	3 359	2 972
Pension obligations	25	2 565	2 585
Provisions and obligations	24	4 132	3 542
Total non-current liabilities		62 747	73 305
Current interest-bearing liabilities	27	22 710	25 970
Trade and other payables	26	40 295	42 890
Current tax payables		4 438	3 439
Current non-interest-bearing liabilities	26	3 253	3 642
Provisions and obligations	24	1 777	1 677
Liabilities classified as held for sale	4	4 210	-
Total current liabilities		76 683	77 618
Total equity and liabilities		201 765	206 319

Fornebu, 20 March 2018

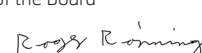

Gunn Wærsted
Chair


Jon Erik Reinhardsen
Board member

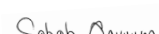

Jacob Adraou
Board member


Grethe Viksaas
Board member


Sally Davis
Board member


Roger Rønning
Board member


René Richard Obermann
Board member


Sabah Qayyum
Board member


Harald Stavn
Board member


Sigve Brekke
President & CEO


Jørgen Kildahl
Vice Chair of the Board

CONSOLIDATED STATEMENT OF CASH FLOWS

Telenor Group 1 January – 31 December

NOK in millions	Note	2017	2016
Profit before taxes from continuing operations		21 959	19 302
Profit (loss) before taxes from discontinued operations		(207)	(7 572)
Profit before taxes		21 751	11 731
Income taxes paid		(6 100)	(5 760)
Net (gain) loss from disposals, impairments and change in fair value of financial assets and liabilities		(1 212)	574
Depreciation, amortisation and impairment losses		22 166	28 033
Share of net (income) loss and (gains) losses on disposal of associated companies and joint ventures		4 617	1 796
Dividends received from associated companies		24	130
Net interest expense		2 402	2 447
Changes in net operating working capital	22	793	972
Net currency (gains) losses not relating to operating activities		(1 072)	1 087
Interest received		443	306
Interest paid		(2 645)	(2 042)
Other adjustments		880	504
Net cash flow from operating activities		42 046	39 778
Proceeds from sale of property, plant and equipment and intangible assets		119	92
Purchases of property, plant and equipment and intangible assets	22	(18 361)	(23 727)
Proceeds from disposal of subsidiaries and associated companies, net of cash disposed	22	7 392	5 319
Purchases of subsidiaries, associated companies and joint ventures, net of cash acquired	22	(2 000)	(2 971)
Proceeds from sale of other investments		3 481	607
Purchases of other investments		(341)	(425)
Net cash flow from investing activities		(9 710)	(21 105)
Proceeds from borrowings	27	9 052	26 280
Repayments of borrowings	27	(21 625)	(15 699)
Payments of licence obligations	27	(973)	(1 562)
Payments related to supply chain financing	22	(3 909)	(3 672)
Share buyback by Telenor ASA	28	(1 435)	-
Dividends paid to non-controlling interests in subsidiaries	22	(2 586)	(3 139)
Dividends paid to equity holders of Telenor ASA	23	(11 944)	(11 246)
Net cash flow from financing activities		(33 421)	(9 037)
Effects of exchange rate changes on cash and cash equivalents		454	(446)
Net change in cash and cash equivalents		(632)	9 190
Cash and cash equivalents as of 1 January		22 951	13 760
Cash and cash equivalents as of 31 December		22 319	22 951
Of which cash and cash equivalents in assets held for sale as of 31 December	4	362	-
Cash and cash equivalents excluding assets held for sale as of 31 December	22	21 957	22 951

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Telenor Group – for the years ended 31 December 2016 and 2017

NOK in millions	Attributable to equity holders of Telenor ASA						Total equity
	Paid-in capital ¹⁾	Other reserves ¹⁾	Retained earnings	Cumulative translation differences ¹⁾	Total	Non-controlling interests ¹⁾	
Equity as of 1 January 2016	9 078	(21 143)	66 429	4 102	58 467	4 660	63 126
Net income for the period	-	-	2 832	-	2 832	2 974	5 806
Other comprehensive income (loss) for the period	-	5 164	-	(3 958)	1 206	(150)	1 056
Total comprehensive income (loss) for the period	-	5 164	2 832	(3 958)	4 038	2 824	6 862
Transactions with non-controlling interests	-	(152)	-	-	(152)	(106)	(258)
Equity adjustments in associated companies and joint ventures	-	(239)	-	-	(239)	-	(239)
Dividends	-	-	(11 261)	-	(11 261)	(2 861)	(14 122)
Share-based payment, exercise of share options and distribution of shares	-	28	-	-	28	-	28
Equity as of 31 December 2016	9 078	(16 343)	58 000	144	50 879	4 517	55 396
Net income for the period	-	-	11 983	-	11 983	2 915	14 898
Other comprehensive income (loss) for the period	-	11 247	-	(3 542)	7 705	(18)	7 687
Total comprehensive income (loss) for the period	-	11 247	11 983	(3 542)	19 688	2 897	22 585
Transactions with non-controlling interests	-	-	-	-	-	67	67
Equity adjustments in associated companies and joint ventures	-	(539)	586	-	47	-	47
Dividends	-	-	(11 694)	-	(11 694)	(2 642)	(14 335)
Share buyback	(52)	(1 424)	-	-	(1 476)	-	(1 476)
Share-based payment, exercise of share options and distribution of shares	-	52	-	-	52	-	52
Equity as of 31 December 2017	9 025	(7 006)	58 875	(3 398)	57 496	4 839	62 336

¹⁾ See note 23.