

TELENOR ASA  
Form 6-K  
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**Table of Contents**

**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: 06th May 2004, for 1<sup>st</sup> Quarter results 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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**TABLE OF CONTENTS**

TELENOR ASA FIRST QUARTER 2004 RESULTS

OUTLOOK FOR 2004

FIRST QUARTER OF 2004

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

KEY FIGURES

KEY FIGURES FOR THE BUSINESS AREAS

BUSINESS AREAS

FIXED

BROADCAST

OTHER ACTIVITIES

OTHER PROFIT AND LOSS ITEMS FOR THE GROUP

US GAAP

OUTLOOK FOR 2004

SIGNATURES

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**Table of Contents**

**TELENOR ASA FIRST QUARTER 2004 RESULTS**

Telenor's revenues increased by 13% to NOK 14,284 million. Telenor's EBITDA margin increased from 33.1% to 35.1%. EBITDA increased by NOK 839 million to NOK 5,016 million. Telenor's operating profit increased by NOK 807 million to NOK 2,282 million. Profit before taxes and minority interests increased by NOK 3.6 billion to NOK 4.7 billion. Net interest-bearing liabilities were NOK 19.3 billion, Telenor's revenues increased by 13% to NOK 14,284 million, mainly due to the growth in the mobile operations and the consolidation of Sonofon as of 12 February 2004. Adjusted for the effect of acquisitions and disposals of operations and currency fluctuations, the growth in revenues was just below 9%.

Telenor's EBITDA margin increased from 33.1% to 35.1%, primarily due to Mobile constituting a larger part of the Group. EBITDA increased by NOK 839 million to NOK 5,016 million. All business areas increased their EBITDA. Telenor's operating profit increased by NOK 807 million to NOK 2,282 million. Profit before taxes and minority interests increased by NOK 3.6 billion to NOK 4.7 billion. In the first quarter of 2004, Telenor sold its remaining 9% ownership interest in Cosmote for NOK 3.1 billion and realized a gain before taxes of NOK 2.6 billion. Telenor's work for improving operational efficiency continues. As a part of this work, agreements were made in the first quarter of 2004 to gather the Telenor Group's Norwegian IT-operations in EDB Business Partner and to outsource EDB Business Partner's Telecom application development activities.

In Mobile, EBITDA increased by NOK 621 million to NOK 2,816 million. The EBITDA margin decreased by 1.7 percentage points to 39.0% due to reduced margin in Telenor Mobil- Norway and the consolidation of Sonofon. In Fixed-Norway, EBITDA increased by NOK 37 million to NOK 1,620 million. The EBITDA margin increased by 1.4 percentage points to 36.1%.

At the end of the first quarter of 2004, Telenor's market share for mobile services in Norway was estimated to be approximately 56% measured in number of subscriptions, down from 57% at the end of 2003. The market share for fixed line telephony in Norway measured in traffic minutes was 69%, in line with the end of 2003.

Broadcast had an operating profit of NOK 110 million compared to an operating loss in the first quarter of 2003. Capital expenditure was NOK 1,471 million compared to NOK 1,230 million in the first quarter of 2003. The increase was in Mobile.

Net interest-bearing liabilities were NOK 19.3 billion, an increase of NOK 1.5 billion from the end of 2003. The increase was mainly due to the acquisition of the remaining 46.5% ownership interest in Sonofon, partially offset by the sale of the shares in Cosmote.

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**Table of Contents**

In January 2004, Telenor entered into an agreement with the Kingdom of Norway, which is the largest shareholder in Telenor, in connection with Telenor's program to buy back its own shares. The Kingdom of Norway agreed to cancel an amount of its own shares proportional to the amount of Telenor shares which Telenor repurchases in the market against payment by Telenor. As of 4 May 2004, Telenor had purchased 12.810.000 own shares in the market in accordance with the authority granted by Telenor's general meeting of 8 May 2003.

The Kingdom of Norway reduced its ownership interest in Telenor to 53.15% (including Telenor's own shares) through a sale of 170 million shares on 30 March 2004 and 695,600 shares on 14 April 2004.

In April 2004, following a government auction, Telenor was granted one of two new national licences for mobile telephony in Pakistan.

**OUTLOOK FOR 2004**

Telenor in general confirms its expectations for 2004 as presented in Telenor's report for the fourth quarter of 2003. Overall, excluding special items we expect a positive development in Telenor's results compared to 2003. Continued growth in revenues is expected, driven by the international mobile operations and the consolidation of Sonofon.

The EBITDA margin is expected to be approximately in line with 2003, excluding special items. This include consolidation of Sonofon, expected increase in sales and marketing expenses in a number of our mobile operations as well as operating expenses related to the establishment of mobile operations in Pakistan.

Capital expenditure is expected to be higher than in 2003 due to the purchase of satellite capacity, the consolidation of Sonofon, investments in new mobile technology in Norway, and investments in Pakistan, including license costs. In addition, the increase in subscriptions in some of the international mobile companies may result in Telenor accelerating certain network investments.

The sale of the Operating service division from the business area Fixed to EDB Business Partner is expected to have a small negative effect on Fixed Norway's revenues. This transaction is expected to have a limited effect on the results for the Telenor Group for 2004, excluding special items.

The First Quarter of 2004 report is sent as enclosure with a separate mail in word and excel format.

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**Table of Contents**

**FIRST QUARTER OF 2004**

First quarter of 2004 showed a growth in revenues for the Telenor Group of 13% to NOK 14.3 billion. Profit before taxes and minority interests increased to NOK 4.7 billion.

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**Table of Contents**

**Telenor ASA first quarter of 2004**

**KEY POINTS FROM THE FIRST QUARTER OF 2004 COMPARED TO THE FIRST QUARTER OF 2003**

Telenor's revenues increased by 13% to NOK 14,284 million, mainly due to the growth in the mobile operations and the consolidation of Sonofon as of 12 February 2004. Adjusted for the effect of acquisitions and disposals of operations and currency fluctuations, the growth in revenues was just below 9%.

Telenor's EBITDA margin increased from 33.1% to 35.1%, primarily due to Mobile constituting a larger part of the Group. EBITDA increased by NOK 839 million to NOK 5,016 million. All business areas increased their EBITDA.

Telenor's operating profit increased by NOK 807 million to NOK 2,282 million. Profit before taxes and minority interests increased by NOK 3.6 billion to NOK 4.7 billion. In the first quarter of 2004, Telenor sold its remaining 9% ownership interest in Cosmote for NOK 3.1 billion and realized a gain before taxes of NOK 2.6 billion.

Telenor's work for improving operational efficiency continues. As a part of this work, agreements were made in the first quarter of 2004 to gather the Telenor Group's Norwegian IT-operations in EDB Business Partner and to outsource EDB Business Partner's Telecom application development activities.

In Mobile, EBITDA increased by NOK 621 million to NOK 2,816 million. The EBITDA margin decreased by 1.7 percentage points to 39.0% due to reduced margin in Telenor Mobil-Norway and the consolidation of Sonofon.

In Fixed-Norway, EBITDA increased by NOK 37 million to NOK 1,620 million. The EBITDA margin increased by 1.4 percentage points to 36.1%.

At the end of the first quarter of 2004, Telenor's market share for mobile services in Norway was estimated to be approximately 56% measured in number of subscriptions, down from 57% at the end of 2003. The market share for fixed line telephony in Norway measured in traffic minutes was 69%, in line with the end of 2003.

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Capital expenditure was NOK 1,471 million compared to NOK 1,230 million in the first quarter of 2003. The increase was in Mobile.

Net interest-bearing liabilities were NOK 19.3 billion, an increase of NOK 1.5 billion from the end of 2003. The increase was mainly due to the acquisition of the remaining 46.5% ownership interest in Sonofon, partially offset by the sale of the shares in Cosmote.

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**Table of Contents**

In April 2004, following a government auction, Telenor was granted one of two new national licences for mobile telephony in Pakistan.

**KEY FIGURES**

(NOK in millions)	1st quarter		Year 2003
	2004	2003	
Revenues	14,284	12,606	53,121
Revenues excluding gains	14,276	12,602	52,889
Revenues excluding gains growth (%)	13.3	9.4	8.7
EBITDA 1)	5,016	4,177	18,302
EBITDA/Revenues (%)	35.1	33.1	34.5
EBITDA excluding gains and losses 2)	5,010	4,184	18,299
Operating profit	2,282	1,475	7,560
Operating profit/Revenues (%)	16.0	11.7	14.2
Associated companies	133	(34)	1,231
Profit before taxes and minority interests	4,674	1,047	7,426
Net income	2,801	597	4,560
Net interest-bearing liabilities	19,297	26,139	17,817
Investments:			
Capex 3)	1,471	1,230	6,454
Investments in businesses 4)	3,749	23	563

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

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 on disposal, expenses for workforce reductions, loss contracts, exit from activities and write-downs) 1)

(NOK in millions)	1st quarter			Year	
	2004	2003	Growth	2003	Growth
Revenues	14,276	12,602	13.3%	52,889	8.7%
EBITDA	5,035	4,189	20.2%	18,586	28.1%
EBITDA/Revenues (%)	35.3	33.2		35.1	
Operating profit	2,304	1,503	53.3%	7,989	87.1%
Operating profit/Revenues (%)	16.1	11.9		15.1	
Associated companies	133	(100)	nm	(251)	nm
Profit before taxes and minority interests	2,105	1,095	92.2%	6,300	153.2%

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



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

(NOK in millions)	1st quarter			Year	
	2004	2003	Growth	2003	Growth
Mobile	7,214	5,388	33.9%	23,810	17.0%
Fixed	4,940	5,032	(1.8%)	20,509	2.4%
Broadcast	1,306	1,138	14.8%	4,820	33.7%
Other activities	2,454	2,678	(8.4%)	10,811	(7.1%)
Eliminations	(1,630)	(1,630)		(6,829)	0.6%
Total revenues	14,284	12,606	13.3%	53,121	8.8%

**EBITDA**

(NOK in millions)	1st quarter				Year	
	2004	Margin 1)	2003	Margin 1)	2003	Margin 1)
Mobile	2,816	39.0%	2,195	40.7%	9,567	40.2%
Fixed	1,620	32.8%	1,592	31.6%	6,665	32.5%
Broadcast	348	26.6%	204	17.9%	1,229	25.5%
Other activities	262	10.7%	194	7.2%	830	7.7%
Eliminations	(30)	nm	(8)	nm	11	nm
Total EBITDA	5,016	35.1%	4,177	33.1%	18,302	34.5%
Special items 2)	19	nm	12	nm	284	nm
EBITDA adjusted for special items 3)	5,035	35.3%	4,189	33.2%	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 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)	1st quarter				Year	
	2004	Margin 1)	2003	Margin 1)	2003	Margin 1)
Mobile	1,506	20.9%	1,112	20.6%	5,224	21.9%
Fixed	692	14.0%	542	10.8%	2,531	12.3%
Broadcast	110	8.4%	(73)	nm	181	3.8%
Other units	(17)	nm	(112)	nm	(488)	nm

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Eliminations	(9)	nm	6	nm	112	nm
Total operating profit	2,282	16.0%	1,475	11.7%	7,560	14.2%

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1) Operating profit as a percentage of total revenues.

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**Table of Contents****BUSINESS AREAS****Mobile**

<b>(NOK in millions)</b>	<b>1st quarter</b>		<b>Year 2003</b>
	<b>2004</b>	<b>2003</b>	
External revenues			
Telenor Mobil Norway	2,489	2,302	9,639
Sonofon Denmark	672		
Telenor Mobile Sweden	32	20	109
Pannon GSM Hungary	1,403	1,205	5,368
DiGi.Com Malaysia	940	732	3,170
Kyivstar Ukraine	834	483	2,634
GrameenPhone Bangladesh	493	326	1,535
Other	3	14	28
Total external revenues	6,866	5,082	22,483
Internal revenues	347	306	1,327
Gains on disposal	1		
Total revenues	7,214	5,388	23,810
EBITDA	2,816	2,195	9,567
Depreciation and amortization	1,310	1,075	4,308
Write-downs		8	35
Operating profit	1,506	1,112	5,224
EBITDA/Total revenues (%)	39.0	40.7	40.2
Operating profit/Total revenues (%)	20.9	20.6	21.9
Investments:			
Capex	984	687	3,667
Investments in businesses	3,661	4	95

Revenues increased by 33.9% compared to the first quarter of 2003. The EBITDA margin decreased from 40.7% in the first quarter of 2003 to 39.0% in the first quarter of 2004, mainly as a result of reduced margin in Telenor Mobil Norway.

The results in the first quarter of 2004 were affected by the consolidation of Sonofon from 12 February 2004.

The other mobile operations showed a good profitability in the first quarter of 2004.

In April 2004, following a government auction, Telenor was granted one of two new national licences for mobile telephony in Pakistan, for a period of 15 years subject to renewal. The price of the licence at auction was US Dollar 291 million, half of which will be paid in 2004 and the remainder over a 10-year period.

**Table of Contents****Telenor Mobil Norway**

(NOK in millions)	1st quarter		Year 2003
	2004	2003	
Subscriptions and connections	350	330	1,216
Traffic	1,315	1,257	5,391
SMS and content services	359	400	1,537
Customer equipment, service providers and other	465	315	1,495
Total external revenues	2,489	2,302	9,639
Internal revenues	311	308	1,270
Gains on disposal			
Total revenues	2,800	2,610	10,909
EBITDA	998	1,083	4,262
Depreciation and amortization	238	293	1,147
Write-downs			
Operating profit	760	790	3,115
EBITDA/Total revenues (%)	35.6	41.5	39.1
Operating profit/Total revenues (%)	27.1	30.3	28.6
Capex	214	77	500
ARPU (GSM) monthly (NOK)	332	330	339
No. of subscriptions (in thousand)	2,378	2,342	2,364

Compared to the first quarter of 2003, revenues increased primarily due to the increase in sales to service providers and sale of customer equipment. External traffic revenues increased as a result of increased traffic per subscription and the increase in the number of subscriptions, partially offset by price reductions. The increase in external subscription revenues compared to the first quarter of 2003 was a result of the increase in the number of subscriptions. The reduction in external revenues from SMS and content services was due to reduced prices and an increase in the number of free messages, partially offset by the increase in the number of messages. Compared to the fourth quarter of 2003, revenues from SMS fell due to reduced prices and a reduction in the number of messages.

On 16 June 2003, Telenor Mobil introduced simplified pricing plans and lower average call charges. SMS prices were reduced from 6 May and from 1 December 2003, and on 1 July 2003 Telenor Mobil further reduced end user prices. As of 1 February 2004, Telenor Mobil reduced the termination charges to NetCom and as a result of reduced interconnection charges from NetCom, Telenor Mobil also reduced the end user prices on outgoing traffic to NetCom's network from 12 February 2004. On 1 March 2004, SMS prices for prepaid subscriptions were further reduced.

In a market characterized by strong competition, the number of GSM subscriptions in Telenor Mobil increased by 19,000 compared to the end of 2003, and by 52,000 compared to the end of the first quarter of 2003. These additional subscriptions consisted primarily of GSM contract subscriptions.

At the end of the first quarter of 2004, the estimated market share for GSM measured in number of subscriptions was approximately 56%, down from 60% at the end of the first quarter of 2003 and 57% at the end of 2003.

Mobile

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**Table of Contents**

penetration was estimated to have increased to approximately 91%, up from 85% in the first quarter of 2003 and 90% in the fourth quarter of 2003.

The decrease in the EBITDA margin compared to the first quarter of 2003 was primarily due to increased costs relating to sales and marketing activities, higher costs of materials and traffic charges as a result of increased traffic to other mobile networks and increased sales of customer equipment with low margin, as well as price reductions. Provisions were also made in the first quarter of 2004 for contingent liabilities in connection with legal disputes.

Depreciation and amortization decreased compared to the first quarter of 2003, primarily due to reduced capital expenditure in recent years and the reversal of depreciation and amortization in previous periods.

The increase in capital expenditure compared to the first quarter of 2003 was primarily due to investments in new technology and the increased coverage and capacity in the GSM network.

**Sonofon Denmark**

(NOK in millions)	1st quarter		Year 2003
	2004	2003	
Mobile related revenues	511		
Other revenues	165		
Total revenues	676		
EBITDA	166		
Depreciation and amortization	114		
Write-downs			
Operating profit	52		
EBITDA/Total revenues (%)	24,6		
Operating profit/Total revenues (%)	7,7		
Capex	66		
ARPU (GSM) monthly (NOK)	270		
No. of subscriptions (in thousand)	996		

The proceeding table shows figures from 12 February 2004, the time of consolidation of Sonofon. Telenor's ownership interest in Sonofon is 100%. ARPU in the table is for the period 1 January - 31 March 2004.

On 12 February 2004, Telenor acquired the remaining 46.5% of the shares in Sonofon for a consideration of NOK 3.66 billion. The company was consolidated as a subsidiary effective from this date.

Sonofon's estimated market share was 22% at the end of the first quarter of 2004, which was a decrease compared to the end of 2003 due to increased competition. The number of subscriptions in Sonofon decreased by 14,000 from the end of 2003. Estimated mobile penetration in Denmark increased to 89% at the end of the first quarter of 2004.

Measured in Danish Kroner, ARPU fell compared to the end of 2003, primarily due to price reductions.



Revenues and the EBITDA margin for the first quarter of 2004 were NOK 1,210 million and 24.2%, respectively. The EBITDA margin was negatively affected by

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**Table of Contents**

reduced prices and costs connected with sales and marketing activities, partially offset by a reduction in other operating expenses.

As from 1 July 2004, Sonofon will reduce the interconnection charges by a further 10%.

In April 2004 Sonofon reached an agreement to acquire the Danish service provider CBB Mobil A/S for DKK 130 million.

**Telenor Mobile Sweden**

(NOK in millions)	1st quarter		Year 2003
	2004	2003	
Total revenues	46	20	127
EBITDA	(25)	(8)	(114)
Depreciation and amortization	8	4	24
Write-downs			
Operating profit	(33)	(12)	(138)
Capex	4	58	79
ARPU (GSM) monthly (NOK)	188	119	171
No. of subscriptions (in thousand)	84	52	81

The Norwegian Krone depreciated against the Swedish Krone by approximately 13% in the first quarter of 2004 compared to the first quarter of 2003.

The increase in the EBITDA-loss compared to the first quarter of 2003 was due to increased sales and marketing activity after the launch as an MVNO (Mobile Virtual Net Operator) in April 2003. The number of MVNO subscriptions was 61,000 at the end of the first quarter of 2004.

**Pannon GSM Hungary**

(NOK in millions)	1st quarter		Year 2003
	2004	2003	
Mobile related revenues	1,323	1,138	5,005
Other revenues	82	67	365
Total revenues	1,405	1,205	5,370
EBITDA	556	469	1,924
Depreciation and amortization	241	212	889
Write-downs			10
Operating profit	315	257	1,025
EBITDA/Total revenues (%)	39.6	38.9	35.8
Operating profit/Total revenues (%)	22.4	21.3	19.1
Capex	104	113	644
ARPU (GSM) monthly (NOK)	169	153	165
No. of subscriptions (in thousand)	2,596	2,514	2,618

Telenor's ownership interest in Pannon GSM is 100%. The Norwegian Krone depreciated against the Hungarian Forint by approximately 6% in the first quarter of 2004 compared to the first quarter of 2003.

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**Table of Contents**

Pannon GSM's estimated market share decreased by one percentage point compared to the end of 2003 and was 35% at the end of the first quarter of 2004, compared to 38% at the end of the first quarter of 2003. Compared to the end of the first quarter of 2003, the estimated mobile penetration in Hungary increased from 70% to 80%.

In a market characterised by tough competition, Pannon GSM increased the number of contract subscriptions by 25,000 compared to the end of 2003, while the increase was 93,000 compared to the end of the first quarter of 2003.

ARPU measured in local currency increased by 4% compared to the first quarter of 2003, primarily due to an increased share of contract subscriptions in addition to increased usage per subscription. The increase in the number of subscriptions and increased ARPU contributed to revenue growth in local currency of 10% compared to the first quarter of 2003.

The EBITDA margin increased compared to the first quarter of 2003 due to more efficient operations.

Depreciation and amortization increased compared to the first quarter of 2003 due to a higher level of capital expenditure in recent years.

During 2003, Pannon GSM was determined to have significant market power in the national interconnection market in Hungary in both 2002 and 2003. Pannon GSM appealed against these decisions. It is not yet known when the cases will be ruled on in the Hungarian courts. In case of an unfavorable outcome, Pannon GSM may be required to reduce its interconnection charges.

**DiGi.Com Malaysia**

(NOK in millions)	1st quarter		Year 2003
	2004	2003	
Mobile related revenues	811	633	2,713
Other revenues	130	101	463
Total revenues	941	734	3,176
EBITDA	426	307	1,295
Depreciation and amortization	210	188	780
Write-downs		6	18
Operating profit	216	113	497
EBITDA/Total revenues (%)	45.3	41.8	40.8
Operating profit/Total revenues (%)	23.0	15.4	15.6
Capex	103	144	1,043
ARPU (GSM) monthly (NOK)	116	123	117
No. of subscriptions (100% in thousand)	2,416	1,803	2,207

Telenor's ownership interest in DiGi.Com was 61.0% at the end of the first quarter of 2004. The Norwegian Krone appreciated against the Malaysian Ringgit by approximately 2% in the first quarter of 2004 compared to the first quarter of 2003.

DiGi.Com's estimated market share increased by one percentage point compared to the end of 2003 and was 21% at the end of the first quarter of 2004, compared



**Table of Contents**

to 19% at the end of the first quarter of 2003. Compared to the end of the first quarter of 2003, the estimated mobile penetration in Malaysia increased from 39% to 46%.

Measured in local currency, revenues increased by 31% compared to the first quarter of 2003 primarily due to the increased number of subscriptions. Measured in local currency, ARPU decreased by 3% compared to the first quarter of 2003 due to the fact that new subscriptions on average generated less traffic, as well as price reductions in the form of free call time and loyalty programmes.

The increase in the EBITDA margin was due to more efficient operations and increased interconnection charges. Measured in local currency, EBITDA increased by 43% compared to the first quarter of 2003.

Depreciation and amortization increased compared to the first quarter of 2003 as a result of a high level of capital expenditure in the fourth quarter of 2003.

**Kyivstar Ukraine**

(NOK in millions)	1st quarter		Year 2003
	2004	2003	
Mobile related revenues	822	464	2,569
Other revenues	12	19	65
Total revenues	834	483	2,634
EBITDA	505	263	1,573
Depreciation and amortization	102	77	343
Write-downs			
Operating profit	403	186	1,230
EBITDA/Total revenues (%)	60.6	54.5	59.7
Operating profit/Total revenues (%)	48.3	38.5	46.7
Capex	331	218	979
ARPU (GSM) monthly (NOK)	87	81	94
No. of subscriptions (100% in thousand)	3,221	2,012	3,037

Telenor's ownership interest at the end of the first quarter of 2004 was 55.35%. Telenor increased its ownership interest further in April 2004 by 1.16% for a cost of US Dollar 5 million. The functional currency for Kyivstar is the US Dollar. The Norwegian Krone appreciated against the US Dollar by approximately 2% in the first quarter of 2004 compared to the first quarter of 2003.

Kyivstar's estimated market share decreased by two percentage points compared to the end of 2003 and was 45% at the end of the first quarter of 2004, compared to 50% at the end of the first quarter of 2003. The decrease was a result of increased competition within the prepaid segment. Compared to the first quarter of 2003, the estimated mobile penetration in Ukraine increased from 9% to 15%.

ARPU increased compared to the first quarter of 2003. This was primarily related to a 60% increase on average in the number of traffic minutes per subscription mainly due to the introduction of a Calling Party Pays regime from 19 September 2003.