

# Notice of Telenor ASA's Annual General Meeting

Telenor ASA's Annual General Meeting (AGM) will be held in the Expo Visitors' Center at Fornebu, outside Oslo, on Thursday May 6, 2004 at 13:00 CET.

The Annual General Meeting will be opened and chaired by the Chairman of the Corporate Assembly, County Governor Mona Røkke, ref. section 5-12, first paragraph of the Act relating to Public Limited Companies (Norway), and section 8, first paragraph of the articles of association.

## Agenda:

1. **Approval of the notice of the Annual General Meeting.**
2. **Election of a representative to sign the minutes of the Annual General Meeting together with the Chairman of the Meeting.**
3. **Approval of the annual accounts and annual report for the financial year 2003. The Board of Directors proposes that a dividend of NOK 1.00 per share be paid. The dividend is payable to the company's shareholders as of May 6, 2004.**
4. **Approval of remuneration to the company's auditor.**
5. **Reduction of the share capital by canceling of own shares as well as redemption of shares owned by the Kingdom of Norway**

On January 15, 2004 Telenor entered into an agreement with the Kingdom of Norway, the largest shareholder in the company, regarding share buyback, as authorized by the Annual General Meeting on May 8, 2003.

Pursuant to the agreement, the Kingdom of Norway is committed to participate in the share buyback on a proportionate basis by way of redemption and cancellation of a proportionate number of its shares so that the Kingdom of Norway's ownership interest in Telenor will remain unaffected.

The agreement presupposes that the subsequent Annual General Meeting will be invited to approve cancellation of the repurchased and redeemed shares. The Kingdom of Norway is committed to vote in favor of such cancellation. The compensation to the Kingdom of Norway for the redeemed shares will be determined by the average price paid in the market under the buyback, plus an interest based on NIBOR+0,5 percent p.a., calculated from the dates of purchases of each of the shares until the time of cancellation.

Telenor has, in the period from January 16, 2004, to March 19, 2004, repurchased 12,810,000 own shares in the market as part of the buyback authorization approved by Telenor's Annual General Meeting on May 8, 2003 and pursuant to the provisions of the agreement. In addition Telenor holds 28,103,172 own shares, which account for approximately 1.56% of the total outstanding shares. These shares are the remaining shares Telenor received in connection with the stock exchange introduction in 2000. Because the reason for these shares is no longer in place, these shares will be proposed cancelled as well.

The Board proposes that the following is resolved by the Annual General Meeting :

"The company's share capital is reduced by NOK 332,669,784 by (i) cancellation of 40,913,172 own shares and (ii) redemption of 14,531,792 shares owned by the Kingdom of Norway against payment of an amount of NOK 695,432,133.05 to the Kingdom of Norway. The amount corresponds to an average volume-weighted price at the time of the company's repurchase of own shares in the market in 2004, together with compensation for interest. The amount that exceeds the nominal value of the shares shall be covered by the share premium reserve. In addition, the share premium reserve shall be reduced with NOK 543,393,876 by transferring such amount to other equity. The amount corresponds to the difference between the nominal value and the acquisition costs for the shares that the company has purchased in the market in 2004. The share premium reserve will thereby be reduced with NOK 1,151,635,257.05.

Section 4 of the articles of association shall, effective as of the date of the share capital reduction, be amended as follows:

The company's share capital is NOK 10,495,205,880, divided into 1,749,200,980 shares, each with a par value of NOK 6.

## 6. Authorizations to the Board

### 6.1 Increase of the share capital

At the Annual General Meeting on May 8, 2003, the Board was given the authorization to increase the share capital by a maximum of NOK 1,065,193,800, with the issue of up to 177,532,300 shares. This authorization is valid until July 1, 2004. The Board proposes that the authorization be given a one-year renewal so that the total holding of own shares can account for up to 5% of total outstanding shares after above mentioned share capital reduction.

The reason for the proposal is, as before, to prepare the company for further expansion. This will include investments in, or mergers with, other businesses which can provide the company with resources or other competitive advantages. Furthermore, it may in some cases be appropriate to undertake private placements of shares in order to finance the acquisition of other businesses. The foregoing also explains why the Board considers it necessary to be able to depart from section 10-4 of the Act relating to Public Limited Companies (Norway), concerning existing shareholders' pre-emption rights to new shares.

The Board is of the opinion that such authorization may, in given situations, provide added value for the shareholders of the company, in lieu of otherwise being forced to give notice of a General Meeting for the completion of a transaction involving Telenor shares. The reason for this is i.a. the importance of the time aspect by being able to act quickly together

with the elimination of insecurity associated with the company's ability to pay with shares and thereby strengthen its position in negotiations.

Based on the company's strengthened capital structure and its financial flexibility it will be appropriate that the authorization in this instance is limited to 5%. This will be in accordance with similar authorizations used by other large Norwegian companies having a substantial public ownership share. The authorization shall also be available for options and share programs for employees.

The Board proposes that the following is resolved by the Annual General Meeting :

- (a) Authorization is given, pursuant to section 10-14 of the Act relating to Public Limited Companies (Norway), for the Board to increase the company's share capital by a maximum of NOK 524,760,294, with the issue of up to 87,460,049 shares, with a nominal value of NOK 6.
- (b) The authorization is valid until July 1, 2005.
- (c) The Board can decide if the shareholders' pre-emption rights to the new shares may be departed from.
- (d) The authorization also covers the increase of capital by way of contributions of assets other than money etc., ref. section 10-2 of the Act relating to Public Limited Companies (Norway), and the increase of capital where a merger has taken place, in accordance with section 13-5 of the Act.
- (e) That this authorization supersedes the authorization given at the Annual General Meeting of May 8, 2003, to increase the share capital.

## 6.2 Acquisition of own shares

At the Annual General Meeting of May 8, 2003, approval was given, pursuant to section 9-4 of the Act relating to Public Limited Companies, for the Board to be able to acquire own shares. This authorization is valid until July 1, 2004. The Board proposes that this authorization be given a one-year renewal. This type of authorization is common in most of the large public companies in Norway. Authorization of this nature gives the Telenor Board the opportunity to use the financial instruments and mechanisms which the Act relating to Public Limited Companies (Norway) facilitates. Further, a repurchase of own shares, with subsequent cancellation, will be an important tool in order to optimize the company's capital structure.

The authorization is proposed to be increased from the present 5% to 10% of the outstanding shares, as Telenor's capital structure has changed to such extent that more substantial repurchases may take place, and because the liquidity in the shares in the company has been considerably improved after the Kingdom of Norway has reduced its shareholding. In addition, Telenor's original portfolio of own shares from the year 2000 is subject to a proposal for cancellation.

The Board proposes that the following is resolved by the Annual General Meeting:

- (a) Pursuant to the Act Relating to Public Limited Companies section 9-4, the Board is authorized to purchase 174,920,098 own shares with a nominal value of a total of NOK 1,049,520,588, corresponding to approximately 10% of the company's share capital calculated after the capital reduction adopted on May 6, 2004.
- (b) The amount paid per share shall be a minimum of NOK 6 and a maximum of NOK 200.
- (c) The Board is free to decide how the acquisition and disposals of shares takes place.
- (d) This Authorization will replace the authorization given at the Annual General Meeting of May 8, 2003. The authorization is valid until July 1, 2005.

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In accordance with section 8, second paragraph of the articles of association, the Board has decided that in order for shareholders who wish to participate in the shareholders' meeting either in person or through a representative to have the right to attend and vote at the meeting, they must give notice of their attendance to the company's account operator:

Nordea Bank Norge ASA  
Issuer Services  
PO Box 1166 Sentrum, NO-0107 Oslo  
Norway  
Fax: (+47) 22 48 63 49

by Monday May 3, 2004, at 13:00 CET.

Please use the form enclosed.

Fornebu, April 15, 2004  
The Board of Directors, Telenor ASA