

# 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 Friday May 20, 2005 at 15.00 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 2004. The Board of Directors proposes that a dividend of NOK 1.50 per share be paid.**
- The dividend is payable to the company's shareholders as of May 20, 2005. There will be potential withholdings in the dividend payments to non Norwegian shareholders for withholding tax (up to 25 % of the dividend) in accordance with applicable regulations.
- 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 through the Ministry of Trade and Industry.**

On March 26, 2004 Telenor entered into an agreement with the Kingdom of Norway, the largest shareholder in the company, regarding share buyback subject to Telenor being granted an authority to conduct share buy backs. Telenor was granted such authorization at the Annual General Meeting on May 6, 2004.

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+1.0 percent p.a., calculated from the dates of each purchase of shares until the time of cancellation.

Telenor has, in the period from May 24, 2004, to March 18, 2005, repurchased 20,191,700 own shares in the market as part of the buyback authorization approved by Telenor's Annual General Meeting on May 6, 2004 and pursuant to the provisions of the agreement. The Board proposes that the following is resolved by the Annual General Meeting:

"The company's share capital is reduced by NOK 263,186,550 by (i) cancellation of 20,191,700 own shares and (ii) redemption of 23,672,725 shares owned by the Kingdom of Norway through the Ministry of Trade and Industry against payment of an amount of NOK 1,184,955,459 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 2004/2005, 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 892,979,263 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 2004/2005. The share premium reserve will thereby be reduced with NOK 1,935,898,372.

Section 4 of the articles of association shall, effective as of the date of the share capital reduction, be amended in order to reflect the share capital reduction.

## 6. Authorization for the Board to acquire own shares.

At the Annual General Meeting of May 6, 2004, approval was given, pursuant to section 9–4 of the Act relating to Public Limited Companies, for the Board to be able to acquire 174,920,098 own shares (approximately 10 % of the outstanding shares). This authorization is valid until July 1, 2005. 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 entails that Telenor can use own shares as means of payment in connection with acquisitions of businesses. Further Telenor will be able to use own shares when fulfilling its obligations under option programs for managers and key personnel as well as for share programs for employees.

Telenor has an intention to within short enter into an agreement regarding share buyback with the Kingdom of Norway through the Ministry of Trade and Industry, which will enter into force subject to the General Meeting's passing of the resolution as proposed by the Board.

In summary, such agreement regulates that 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.

Such agreement presupposes that the subsequent Annual General Meeting will be invited to approve cancellation of the repurchased and redeemed shares. The Kingdom of Norway through the Ministry of Trade and Industry is committed to vote in favor of such cancellation.

The compensation to the Kingdom of Norway through the Ministry of Trade and industry for the redeemed shares will be determined by the average price paid in the market under the buyback, plus an interest based on NIBOR+1.0 percent p.a., calculated from the dates of each purchase of shares until the time of 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 170,500,000 own shares with a nominal value of a total of NOK 1,023,000,000, corresponding to approximately 10 % of the company's share capital calculated after the capital reduction adopted on May 20, 2005.
- 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 of shares takes place. Own shares should be disposed of by way of (i) cancellation, (ii) as means of payment in connection with acquisitions of businesses and/or (iii) in order to fulfill obligations relating to option programs for managers and key employees and/or to share programs for employees.
- d) This Authorization will replace the authorization given at the Annual General Meeting of May 6, 2004 with effect from the time it is registered at the Norwegian Register of Business Enterprises. The authorization is valid until July 1, 2006.

#### **7. Election of shareholder representatives and deputy shareholder representatives to the Corporate Assembly.**

All of the shareholder elected members of the Corporate Assembly are up for election. There are ten members, including the Chairman of the Corporate Assembly, as well as three deputy shareholder representatives, who should be elected, ref. section 7 of the articles of association. The Election Committee's recommendation is enclosed.

#### **8. Determination of remuneration to the member of the Corporate Assembly.**

The remuneration to the members of the Corporate Assembly has not been adjusted since 2000. The Election Committee has in a meeting passed a resolution suggesting to the General Assembly an upward adjustment to a level in line with comparable Norwegian companies. This implies an increase of the remuneration to the following:

Leader:	NOK 75,000 per annum
Deputy leader:	NOK 35,000 per annum
Member:	NOK 25,000 per annum
Deputy member:	NOK 6,000 per meeting

#### **9. Election of members to the Election Committee.**

The four members of the Election Committee are up for election. The members of the Election Committee are elected for a period of 2 years. Pursuant to Telenor ASA's articles of association, paragraph 9, the chairman of the Corporate Assembly shall also be the chairman of the Election Committee while one member is elected by and from the shareholder elected members and deputy members of the Corporate Assembly. The two remaining members are elected by the General Meeting.

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, Wednesday May 18, at 13:00 CET. Please use the form enclosed.

Fornebu, April 26, 2005  
The Board of Directors, Telenor ASA