

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 TUESDAY MAY 23, 2006 AT 15.00 CET.

The Annual General Meeting will be opened and chaired by the Chairman of the Corporate Assembly, Mr. Jan Erik Korssjøen, 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 2005. The Board of Directors proposes that a dividend of NOK 2.00 per share be paid.**

The dividend is payable to the company's shareholders as of May 23, 2006. 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. **Information on guidelines for remuneration to executive management and the company's option programs.**
6. **Reduction of the share capital by cancelling of own shares as well as redemption of shares owned by the Kingdom of Norway through the Ministry of Trade and Industry.**

On May 4, 2005 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 buybacks. Telenor was granted such authorization at the Annual General Meeting on May 20, 2005.

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

The Company has in accordance with the existing Annual General Meeting's authorization and on the background of the agreement acquired net (after disposal of own shares in connection with option- and share programs) 12,105,182 own shares through purchases in the market.

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

"The company's share capital is reduced by NOK 157,774,338 by (i) cancellation of 12,105,182 own shares and (ii) redemption of 14,190,541 shares owned by the Kingdom of Norway through the Ministry of Trade and Industry against payment of an amount of NOK 765,923,292 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 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 581,410,206 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 2005. The share premium reserve will thereby be reduced with NOK 1,262,190,252."

Please note that the proposal, with respect to the size of the reduction of the share premium reserve will probably be marginally amended during the general meeting. This is due to a potential exercise of options prior to the general meeting of May 23, 2006.

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.

7. **Reduction of share premium reserve through transfer to other equity.**

The Board proposes to the Annual General Meeting that the share premium reserve shall be reduced by NOK 5,000,000,000 with a simultaneous transfer to other equity. The reduction and transfer is carried out in accordance with the rules for capital reductions, ref. section 3-2 second paragraph no 4 and section 12-1 first paragraph no 3 of the Act relating to Public Limited Companies. The reason for the proposal is the limitations that apply to the use of the share premium reserve. By transferring funds from the share premium reserve to other equity, the company will in the future be less restricted in its use of these funds. The funds may then be paid out as dividend to the company's shareholders etc.

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

"The share premium reserve is reduced by NOK 5,000,000,000 through a transfer of the same amount to other equity. The reduction is carried out in accordance with the rules governing capital reductions."

8. Authorization for the Board to acquire own shares.

At the Annual General Meeting of May 20, 2005, 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. The Board proposes that this authorization is renewed until the next ordinary Annual General meeting in 2007. This type of authorization is common practice 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 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 entered into an agreement regarding buyback of shares 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, the 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.

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 through the Ministry of Trade and Industry is committed to vote in favor of such cancellation.

In the event Telenor uses own shares for any other purpose than cancellation or fulfilling its obligations under option programs for managers and key personnel as well as for share programs for employees, the buyback agreement with the Kingdom of Norway will terminate.

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 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 165,000,000 own shares with a nominal value of a total of NOK 990,000,000 corresponding to approximately 10% of the company's share capital calculated after the capital reduction adopted on May 23, 2006, of which up to 2,279,666 shares with a total nominal value of NOK 13,677,996 may be used for the fulfillment of Telenor's option programs for 2002, 2003 and 2004. In addition the Board may use own shares in connection with share programs for employees. Based on experience from previous years the number of shares for this purpose will be approximately 900,000 shares with a total nominal value of NOK 5,400,000.
- (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.
- (d) This Authorization will replace the authorization given at the Annual General Meeting of May 20, 2005 with effect from the time it is registered at the Norwegian Register of Business Enterprises. The authorization is valid until the next Annual General Meeting to be held in 2007.”

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 22, 2006 at 10.00 CET

Please use the form enclosed.

Fornebu, May 3, 2006
The Board of Directors, Telenor ASA