April 2008

Information to individual shareholders in Telenor, tax resident in EEA countries:

REFUND OF WITHHOLDING TAX ON DIVIDENDS FROM TELENOR

1. Introduction

Individual shareholders (i.e. private persons) that are tax resident in an EEA country may, subject to certain conditions, apply to the Norwegian tax authorities for a complete or partial refund of withholding tax pursuant to the so called "Shareholder Model".

The Norwegian tax authorities have provided guidelines indicating how the Shareholder Model is to be applied on dividends paid out by Norwegian companies, to individual shareholders, and the procedure for claiming refund of any withholding tax levied. Our interpretation and explanation will be provided below.

2. Dividends paid out to individual shareholders liable to pay tax*/resident* in an EEA country

When dividends are paid by Telenor to foreign shareholders, withholding tax will be deducted in Norway either at a rate of 25 per cent or at the rate agreed in the tax treaty between Norway and the shareholder's country of residence (normally 15 per cent for individuals).

Individual shareholders tax resident in an EEA member country who have received dividends from Telenor may choose to be taxed pursuant to the same rules as apply to Norwegian shareholders (the "Shareholder Model"), rather than paying withholding tax at the rate stipulated in the applicable tax treaty. A criteria for such claim is that such taxation would result in less Norwegian tax, than the withholding tax

Tax according to the Shareholder Model is calculated as 25 per cent based on the taxable dividends minus a risk-free return. If this calculation leads to less tax than the withholding tax on the gross dividends (at the rate specified in the applicable tax treaty), the shareholder can apply to the Norwegian tax authorities for a refund of the excess withholding tax pursuant to the Shareholder Model.

The risk-free return in the above calculation is set as the cost price of each share multiplied by a "fixed interest rate" (see below). The risk-free return is allocated to the shareholder that holds the respective shares on 31 December in the income year in question. Thus, a shareholder that holds the respective shares on 31 December 2008 will be entitled to the risk-free return for 2008, with effect for dividends received from Telenor in 2008. The interest rate for 2008 will be fixed and announced by the tax authorities in the beginning of 2009. A Shareholder that also held the same shares on 31 December 2007, will in addition be entitled to utilize any unused risk-free return for 2007, based on the interest rate of 3.3 per cent applicable for 2007.

The Directorate of Taxes has in a statement of 12 April 2007 laid down guidelines of how the Shareholder Model is to be applied for foreign shareholders. These guidelines also describe the method for calculating the refund and which information the shareholder must submit. The guidelines are available on following internet address:

http://www.skatteetaten.no/Templates/Artikkel.aspx?id=57412&epslanguage=NO

Please note that instead of claiming refund in Norway (of the withholding tax pursuant to the Shareholder Model as described above) the shareholder may alternatively be entitled to claim a tax credit (i.e. deduction in tax) in his/her home country for tax withheld in Norway, dependent on the tax legislation in the respective home country of the shareholder.

3. Supplementary information – application of refund

An application for refund of withholding tax must sent by the beneficial owner of the shares to the following address:

The Central Office – Foreign Tax Affairs
P.O.Box 8031 Stavanger
NO-4068 Stavanger
Tel: +47 51 96 96 00
E-mail: postkassefu@skatteetaten.no

There is no available official application form for refund. To assist the shareholders, Telenor has prepared an unofficial template which the shareholder may consider using. The form is primarily prepared for use of corporate shareholder. Thus, some of the items in the template may be less relevant for individual shareholders. Please note that the Central Office – Foreign Tax Affairs may require additional information and documentation.

Unfortunately, Telenor does not have the capacity to provide further assistance to the shareholders with applications for refund of tax withheld on dividends. We therefore advice that the any questions concerning the claim for refund are either addressed directly to The Central Office – Foreign Tax Affairs, or to professional tax advisors.