Continued revenue pressure in Q2; strong cash flow

- TDC Group confirms its 2014 guidance and pays out interim dividend

Financial

- Q2 **revenue** down by 5.5%; organic revenue decreased by 3.8% in line with Q1
- **Gross profit** decline of 4.3% in Q2 affected by weak quarter in TDC Nordic including the adverse exchange rate development and different timing of Easter Holiday compared with 2013; YTD decline of 3.4%
- **EBITDA** down by 3.2% in Q2 as gross profit decline was partly offset by opex savings (5.8%); organic EBITDA down 1.9%
- Strong **Equity free cash flow** growth of 40.1% in Q2 driven by NWC improvements; H1 EFCF up by 14.4%
- The **divestment of TDC Finland** completed for a total cash consideration of DKK 1.15bn after approval by Finnish authorities; TDC Finland reclassified as "Discontinued operations"
- **2014 guidance confirmed**: Organic revenue will decrease less than in 2013 (2013: -3.5%), EBITDA > DKK 9.6bn, capex of DKK 3.7bn and DPS of DKK 3.70; **Interim dividend of DKK** 1.50/share will be paid on 13 August

Operational

- **Residential mobile subscribers** down by 39k vs. Q1, which is a lower loss than in Q1 (57k); residential mobile ARPU stable YoY; positive indications for Q3 with **Telmore Play** off to a promising start with more than 20k sign ups since launch end of Q2
- **TV net adds** of 3k in Q2 due to growth in the TDC brand/Fullrate (11k) partly offset by loss of both individual and organised subscribers in YouSee (-8k)
- Three **large public tenders** (SKI) finalised in Q2 with effect from H2 2014; TDC renegotiated one contract at lower prices but lost the other two contracts which were settled at price levels that TDC Group was unable to match in the specific cases due to competition law restrictions
- **Accelerated network roll-out** resulted in 4G coverage increasing from 71% to 85%
- Additional call centre staff but **service levels** suffered due to an extensive number of calls; service levels expected to improve significantly as skills among new staff members are improved and call levels return to normal
- Development of **TDC Group's future operating model** prompted outsourcing of customer support (approx. 800 TDC employees) to Sitel from H2 2014 resulting in both savings on operational expenses and expected positive impact on customer satisfaction

TDC Group, key financial data — DKKm

		Q2 2014	Q2 2013	Change in %	H1 2014	H1 2013	Change in %
Statements of Income	DKKm						
Revenue		5,668	5,999	(5.5)	11,443	12,087	(5.3)
Gross profit		4,204	4,395	(4.3)	8,462	8,759	(3.4)
EBITDA		2,354	2,431	(3.2)	4,805	4,889	(1.7)
Operating profit (EBIT) excluding special items		1,223	1,239	(1.3)	2,525	2,504	0.8
Profit for the period from continuing operations excl. special items		697	1,191	(41.5)	1,526	2,002	(23.8)
Profit for the period		1,399	1,054	32.7	2,115	1,733	22.0
Total comprehensive income		802	783	2.4	842	1,579	(46.7)
Capital expenditure	DKKm	(957)	(849)	(12.7)	(1,820)	(1,716)	(6.1)
Equity free cash flow (EFCF)	DKKm	1,090	778	40.1	1,456	1,273	14.4
Key financial ratios							
Earnings Per Share (EPS)	DKK	1.76	1.32	33.3	2.65	2.17	22.1
Adjusted EPS	DKK	1.09	1.36	(19.9)	2.34	2.63	(11.0)
Gross profit margin	%	74.2	73.3	-	73.9	72.5	-
EBITDA margin	%	41.5	40.5	-	42.0	40.4	-
Net interest-bearing debt/EBITDA	x	2.1	2.2	-	2.1	2.2	-

For additional data, see TDC Fact Sheet on www.tdc.com. For Glossary and definitions, see http://investor.tdc.com/glossary.cfm.

Comments from the CEO

Q2 shows continued pressure on organic revenue and gross profit developing in line with 2013 full-year results. Yet, TDC Group delivered a strong cash flow, up 40.1% on Q2 2013 (14.4% in H1) driven primarily by working capital improvements and savings of 5.8% in operating expenses. TDC Group confirms its 2014 guidance, including improved organic revenue developments in H2, e.g. due to a new iPad sales agreement and a number of price changes with effect from 1 July.

In the mobile market, the development in net loss of residential customers (39,000 in Q2) remained far from satisfactory. However, via a range of retention initiatives we have generated a positive trend over the quarter, and a part of the loss resulted from low ARPU customers. By launching the innovative mobile concept Telmore Play at the end of the quarter, we set a new agenda with a product that focuses on content rather than price. The product has received intense publicity and great interest from our customers with more than 20k subscribers signing up in the first six weeks since its launch in June.

We are currently developing our future operating model, and recently signed a contract with Sitel, a large international and professional customer service and support provider that will take over more than 800 TDC employees in the autumn. This agreement is attractive for TDC with savings on operational expenses but also as it is expected to contribute to a positive development in customer satisfaction. TDC Group will also invest in further developing the remainder of its customer-centric functions, including our new centre in Flensburg, Germany.

We completed the divestment of TDC Finland in Q2. Of the proceeds we have earmarked DKK 500m for investments in the continuing business in the coming 18 months. We are currently working with a pipeline of initiatives including digitalisation as well as smaller bolt-on acquisitions.

In Q2, TDC Group continued accelerating its expansion of Denmark's best network, resulting in coverage improvements for high-speed landline broadband and 4G – we are now able to deliver 4G outdoor coverage to 85% of the Danish population. In 2014, we expect a total investment level of DKK 3,7bn, equalling approx. 16% of revenue, which is among the highest compared to TDC's European peers.

For decades, with approx. 60% of the nation's telecom infrastructure investments, TDC Group has contributed significantly to expanding Denmark's telecom infrastructure, and expects to play an important role in fulfilling the Danish Government's ambitious objectives for the area, e.g. within high-speed internet in Denmark and the development of health-care solutions, such as telemedicine. However, TDC Group is facing a number of challenges:

1) Within digitalised health-care solutions, the public sector has so far demonstrated very little action to support politicians' visionary ambitions concerning rehabilitation or the treatment of patients with chronic diseases. There is a lack of prioritisation of public investments in the area, even though digitalisation can improve the quality of life for many such patients and significantly reduce health-care costs for society.

2) In Q2, three large public tenders for provision of telecommunications services for regional and municipal authorities etc. (SKI) were concluded, with TDC Group winning one and losing the other two. All three tenders resulted in considerably lower price levels than the current contracts, and TDC Group could not match the prices for the two lost tenders while complying with laws regulating competition.

3) Within broadband, where TDC Group is subject to public price regulation, the Danish Business Authority is currently revising its pricing calculation model. The preliminary draft will result in a 2015 price level that is significantly lower than the level the EU recommends for its member countries. Wholesale pricing in DK will therefore be much lower than in other EU member countries, without any reason for DK to differ.

Both public telecommunications tenders and public wholesale price regulation focus almost exclusively on low prices, at the expense of quality, excellent customer experiences and innovative solutions. Yet these three factors are natural drivers for achieving the Government's objectives and constitute incentives for the telecoms industry, and TDC Group in particular, to continue investing in mobile networks and high-speed broadband in Denmark.

Carsten Dilling, President and Chief Executive Officer

Group performance

YTD financial performance

Revenue

TDC Group revenue decreased by 5.3% or DKK 644m. This development was slightly better than the comparable decline of 6.0% in 2013, supported by a reduced effect from regulation but partly offset by unfavourable exchange rates. As a result, the organic revenue declined by 3.7%, which is in line with H1 2013.

Revenue was negatively affected by the following factors:

- The ongoing negative effects from regulation amounted to DKK 114m, corresponding to 18% of the revenue decline. This was a substantial improvement compared with the regulatory impact of DKK 389m in H1 2013. The majority of the regulatory effect related to mobility services through mobile voice and SMS termination rates (MTR) and international roaming, while to a lesser degree, revenue was influenced by various landline regulations.

- Negative effect totalling DKK 100m from developments in the NOK and SEK exchange rates.

- Organic revenue from domestic landline telephony declined by DKK 221m or 13.3% with 10.9% in Q1 and 15.6% in Q2 due partly to the different timing of the Easter holiday. The decline was primarily related to Consumer and Business driven by the expected customer base decreases of 139k and 40k, respectively.

- A decline of DKK 85m or 8.3% in organic revenue from other services stemming mainly from the decrease in sales of mobile handsets without subsidies in the Consumer TDC Brand. The YoY organic revenue decrease in other services improved significantly in Q2 2014 (2.1% in Q2 vs. -13.6% in Q1) driven partly by the different timing of new mobile handset launches and improved sales of hardware and software in Netdesign.

- A DKK 57m or 2.1% decline in organic domestic revenue from internet & network driven by Business followed mainly from declining broadband and fibre ARPUs. On the positive side, Consumer experienced revenue growth as a result of the attractive YouSee portfolio, which increased both the customer base and ARPU.

- Organic revenue in Nordic declined by DKK 54m or 3.1% due to reduced revenue from the low margin integrator business in Sweden, which was at a high level in 2013.

- Organic revenue from domestic mobility services decreased by DKK 54m or 2.0% driven by a customer base decline in Consumer, and a Business ARPU decrease. Consumer net loss resulted from a continued focus on premium products in a price-competitive market, while price competition negatively affected contract renegotiations in Business.

Revenue was positively affected by:

- An increase of DKK 37m or 1.7% in organic domestic TV revenue caused mainly by the TDC brand following subscription fee increases and a positive customer base development, driven partly by the successful launch of the new TDC TV portfolio. However, the Q2 organic TV revenue increase was at a lower level than in Q1 (0.4 % vs. 3.1%), driven mainly by further downward migrations in YouSee as well as a boxing event that positively affected Q2 2013.

Gross profit
Gross profit declined by DKK 297m or 3.4%, while organic gross profit decreased by DKK 222m (vs. DKK 322m in H1 2013). The Q2 gross profit decrease of 4.3% was higher than in Q1 (-2.4%), partly as Q1 was positively affected by a number of large one-offs related to transmission costs in TDC Nordic of DKK 29m.

The gross profit margin increased from 72.5% to 73.9%, which in addition to the one-offs in TDC Nordic, was positively impacted by lower sales of handsets that have limited gross profit effect. The MTR reductions also contributed to the improved gross profit margin, as these were gross-profit-neutral at TDC Group level.

EBITDA
Reported EBITDA decreased by 1.7% or DKK 84m, while the organic EBITDA decreased by 0.5% or DKK 21m (0.2% in H1 2013). This applies to organic cost savings of DKK 201m on operating expenses, driven largely by savings on wages and personnel-related costs as the number of FTEs was reduced, as well as savings on SAC/SRC and marketing costs.

Profit for the period
Profit for the period from continuing operations excluding special items totalled DKK 1,526m, down by DKK 476m due to the non-recurring positive impact on deferred taxes in H1 2013 (DKK 446m) resulting from the reduced Danish corporate income tax rate.

Special items developed positively in H1 2014 compared with H1 2013 (DKK 868m) as a result of the gain from divesting TDC Finland (DKK 754m) and lower costs related to redundancy programmes and vacant tenancies.

Accordingly, profit for the period for H1 2014 including special items amounted to DKK 2,115m, up by DKK 382m.

Comprehensive income
Total comprehensive income decreased by DKK 737m to DKK 842m. The increase in profit for the period was more than offset by the negative development in other comprehensive income (DKK 1,119m), due primarily to losses related to defined benefit plans. The losses related to defined benefit plans in H1 2014 (DKK 1,380m) were due to an increasing pension obligation following a decreasing discount rate that was partly offset by a higher than expected return on pension plan assets.

Equity
During H1 2014, equity decreased by DKK 876m to DKK 19,508m. Distributed dividends (DKK 1,761m) more than offset total comprehensive income of DKK 842m.

Cash flows
Equity free cash flow increased by DKK 183m or 14.4% to DKK 1,456m. The increase resulted from a DKK 273m improvement in net working capital due to optimisation of invoicing cycles in Consumer and Business as well as a different creditor payment pattern in 2014 than in 2013, due partly to the change of major suppliers. In addition, Equity free cash flow was positively impacted by a DKK 114m decrease in net interest paid resulting mainly from higher interest paid in 2013 related to swaps.

The cash outflow of DKK 1,998m from investing activities in continuing operations in H1 2014 represented an increase of DKK 259m due mainly to the remaining payment of the acquisition of the DONG fibre network in 2009 and the accelerated upgrade and build-out of the mobile network.

TDC Group, Cash flow and Net interest-bearing debt DKKm

TDC Group	Q2 2014	Q2 2013	Change in %	H1 2014	H1 2013	Change in %
EBITDA	2,354	2,431	(3.2)	4,805	4,889	(1.7)
Change in working capital	(63)	(422)	85.1	(237)	(510)	53.5
Interest paid, net	(27)	(60)	55.0	(666)	(780)	14.6
Income tax paid	0	(139)	-	(313)	(302)	(3.6)
Cash flow from capital expenditure	(957)	(880)	(8.8)	(1,811)	(1,746)	(3.7)
Cash flow related to special items	(186)	(135)	(37.8)	(314)	(311)	(1.0)
Other	(31)	(17)	(82.4)	(8)	33	(124.2)
Equity free cash flow	**1,090**	**778**	**40.1**	**1,456**	**1,273**	**14.4**
Total cash flow from operating activities	2,061	1,674	23.1	3,294	3,054	7.9
Total cash flow from investing activities	(1,151)	(875)	(31.5)	(1,998)	(1,739)	(14.9)
Total cash flow from financing activities	(644)	(612)	(5.2)	(1,788)	(1,869)	4.3
Total cash flow from continuing operations	**266**	**187**	**42.2**	**(492)**	**(554)**	**11.2**
Net interest-bearing debt	**(21,018)**	**(22,374)**	**6.1**	**(21,018)**	**(22,374)**	**6.1**

The cash outflow from financing activities in continuing operations in H1 2014 fell by DKK 81m to DKK 1,788m. This decrease was due primarily to lower dividends paid than in H1 2013.

Total cash flow from discontinued operations increased by DKK 1,119m to DKK 1,131m and related mainly to the divestment of TDC Finland.

Net interest-bearing debt

Net interest-bearing debt totalled DKK 21,018m at the end of H1 2014. This resulted in a leverage ratio (net interest bearing debt/EBITDA) of 2.1, within our financial policy of a leverage ratio of or below 2.2 on average over the financial year. During H1 2014, net interest-bearing debt decreased by DKK 636m due to the divestment of TDC Finland and positive net cash flows from operating and investing activities, which was partly offset by dividends paid.

Guidance 2014

The 2014 guidance and the underlying assumptions are presented below. The guidance on revenue in 2014 is based on organic revenue development, defined as reported revenue excluding the impact from exchange-rate changes, acquisition and sale of assets as well as regulation.

Of the expected dividend per share of DKK 3.70 for the financial year 2014, DKK 1.50 will be paid out on 13 August 2014.

2014 guidance assumptions

- Domestic economy with little or no spending growth
- Less severe impact from regulation
- Improved gross profit trend in mobility services driven by less negative development in Consumer net adds and Business ARPU
- Deteriorated landline telephony gross profit development, but improved gross profit trend in internet & network
- Continued TV gross profit growth fuelled by ARPU increases
- Stable organic EBITDA development in Nordic
- Continued opex savings, though at a lower level than in 2013
- Capex slightly above 2013 level with continued build-out of 4G and super broadband

2014 guidance

Organic revenue	**Lower decrease than in 2013 (2013:-3.5%)**
EBITDA	**>DKK 9.6bn**
Capex[1]	**DKK 3.7bn**
DPS	**DKK 3.70**

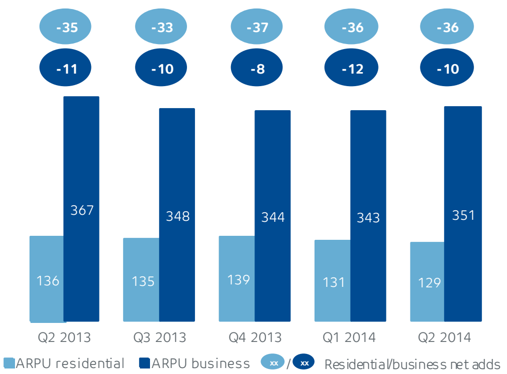
[1] Excluding mobile licences.

Landline telephony

Q2 highlights

- Loss of 36k residential subscribers vs. Q1 2014 same level as previous quarters
- Increased PSTN-only churn in the last part of the quarter as a result of announced price increases. Q3 churn is expected to continue at a high level
- Business Q2 ARPU decrease of DKK 16 vs. a strong Q2 2013, including different timing of the Easter holiday
- ARPU in Wholesale remained level with Q1, but decreased by DKK 17 vs. Q2 2013, driven by intensified regulation on PSTN resold

Landline[1] DKK/'000



[1] Compared with the TDC Factsheet, Q3 13 data have been adjusted to reflect a movement of 7k "Fullrate Erhverv" RGUs from Consumer to Business and in Q4 13 data have been adjusted for the acquisition of ComX, 11k subscribers.

YTD financial performance

Reported domestic revenue decreased by 13.8% or DKK 231m (11.5% in Q1 and 16.1% in Q2 due partly to different timing of Easter), driven mainly by loss of subscribers. Gross profit decreased by 14.6%, resulting in a declining gross profit margin from 93.5% in H1 2013 to 92.8% in H1 2014. This related to Wholesale, partly due to the increased impact from regulation, as well as a changed product mix.

Consumer

Revenue from landline telephony declined by 17.1% to DKK 637m in H1 2014 due to a loss of 139k customers, and DKK 4 drop in ARPU resulting from less traffic.

The decrease in customers was affected mainly by two factors. Firstly, the loss of 59k PSTN-only customers contributed to the negative development. Also, the trio and duo play mobile bundles shifted low-usage landline customers to mobile subscriptions, thereby further reducing the landline customer base.

Business

The negative revenue development of DKK 78m or 10.6 % was driven primarily by a 40k decrease in the customer base. To a lesser degree, revenue was negatively affected by a decline in ARPU due to a reduction in traffic revenue from consumption-based subscribers. This reduction was partly offset by the continued growth of the high-ARPU integrated solutions TDC One and Scale, which combine VoIP, mobile and internet.

Wholesale

Revenue declined by DKK 25m or 15.8%. The negative development in revenue related primarily to an ARPU decrease of DKK 18 driven by regulation on PSTN resold, but was also affected by a loss of customers compared with H1 2013.

Domestic landline telephony, key financial data — DKKm

		Q2 2014	Q2 2013	Change in %	H1 2014	H1 2013	Change in %
	DKKm						
Revenue		**707**	**843**	**(16.1)**	**1,437**	**1,668**	**(13.8)**
Consumer		309	384	(19.5)	637	768	(17.1)
Business		327	379	(13.7)	658	736	(10.6)
Wholesale		66	76	(13.2)	133	158	(15.8)
Other incl. eliminations		5	4	25.0	9	6	50.0
Gross profit		**654**	**791**	**(17.3)**	**1,333**	**1,560**	**(14.6)**
Gross profit margin	%	92.5	93.8	-	92.8	93.5	-
Organic revenue[1]	DKKm	707	838	(15.6)	1,437	1,658	(13.3)
Organic gross profit[1]		654	785	(16.7)	1,333	1,549	(13.9)

[1] Reported revenue and gross profit excluding the impact from regulatory price adjustments as well as the impact from acquisitions and divestments.

Mobility services

Q2 highlights

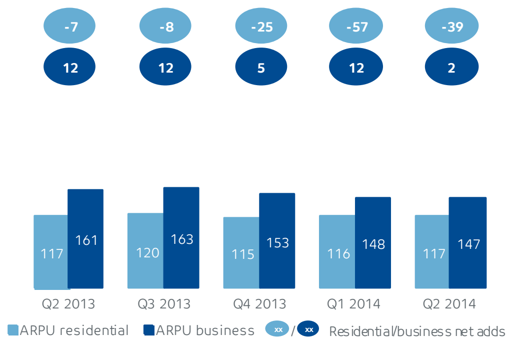
- Successful launch of the new mobile concept Telmore Play in June, with intense PR and great interest from customers; more than 20k customers signed up within the first six weeks, including migrations from the existing customer base
- Continued high churn of low-ARPU customers[1] corresponding to 25% of total mobile churn in Q2 2014, driven by price increases and the introduction of minimum usage
- Targeted retention activities resulted in a lower loss of residential mobile subscribers than in Q1 2014 (39k vs. 57k)
- Business ARPU YoY drop of DKK 14 following continued price pressure
- Reduced Business net adds, however the reduction was driven mainly by low-ARPU data-only SIM cards

YTD financial performance

Reported domestic revenue from mobility services declined by DKK 187m or 6.7%, an improvement compared with the 14.4% decrease in H1 2013. This improvement was positively affected by the reduced impact from regulation (DKK 88m vs. DKK 351m in H1 2013). However, organic revenue development still improved notably (-2.0% vs. -4.1% in H1 2013).

[1] Low-ARPU customers have a usage of below a minimum threshold of DKK 39 per month in the last 3 months before termination of subscriptions.

Mobility services[1] DKK/'000



[1] Compared with the TDC Factsheet, Q3 13 data have been adjusted to reflect a movement of 8k "Fullrate Erhverv" RGUs from Consumer to Business.

The gross profit margin increased from 86.4% to 89.3% driven by gross-profit-neutral effects from cuts in regulatory-determined mobile termination rates.

Consumer

Revenue from mobility services decreased by 9.7% to DKK 1,520m in H1 2014, due to a loss of subscribers, while ARPU remained level.

The negative development in the customer base continued in Q2 2014, and over the past year, Consumer lost 134k mobile customers as a result of the continued focus on premium products in the price competitive market. In order to defend TDC's position in the residential mobile market, targeted retention activities were carried out in Q2 2014, including the launch of new products such as Telmore Play and mix-it-yourself in YouSee. This resulted in a positive trend over the quarter with improved churn rates.

Domestic mobility services, key financial data DKKm

		Q2 2014	Q2 2013	Change in %	H1 2014	H1 2013	Change in %
	DKKm						
Revenue		**1,306**	**1,411**	**(7.4)**	**2,620**	**2,807**	**(6.7)**
Consumer		756	846	(10.6)	1,520	1,684	(9.7)
Business		455	481	(5.4)	909	971	(6.4)
Wholesale		107	105	1.9	215	194	10.8
Other incl. eliminations		(12)	(21)	42.9	(24)	(42)	42.9
Gross profit		**1,171**	**1,220**	**(4.0)**	**2,339**	**2,424**	**(3.5)**
Gross profit margin	%	89.7	86.5	-	89.3	86.4	-
Organic revenue[1]	DKKm	1,306	1,343	(2.7)	2,620	2,674	(2.0)
Organic gross profit[1]		1,171	1,203	(2.6)	2,339	2,393	(2.3)

[1] Reported revenue and gross profit excluding the impact from regulatory price adjustments as well as the impact from acquisitions and divestments.

Business
The revenue decrease of 6.4% or DKK 62m was driven by a DKK 17 decrease in ARPU following continued price competition affecting contract renegotiations.
All segments contributed to the negative revenue development except the public segment due to strong customer base growth. However, as the ARPU in the public segment is considerably below average, the customer base growth negatively affected total ARPU. In second half of 2014, TDC Group expects to lose more than 100k public segment RGUs due to the renegotiations of three large public tenders (SKI) in Q2 where TDC lost two contracts.

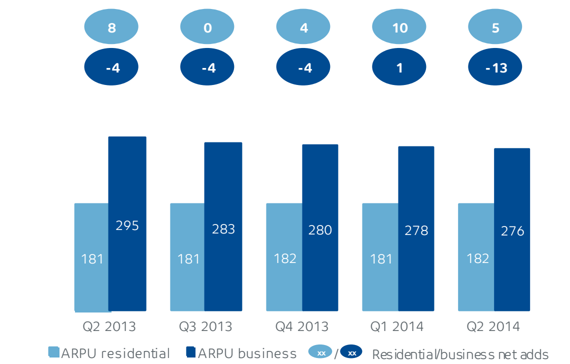
Wholesale
Revenue increased by 10.8% or DKK 21m, largely as a result of a relatively weak Q1 2013. The revenue growth in H1 2014 was driven by increased MVNO subscribers in Norway and Sweden, which are handled through Wholesale and an increased number of domestic mobile subscribers of 18k due to successful campaigns with major retail partners in Wholesale. This was partly offset by a DKK 6 decline in ARPU as on average, new customers entered at a lower ARPU levels.

Internet & network

Q2 highlights

- Residential net adds of 5k vs. Q1 2014, driven by continued growth in YouSee and a positive contribution from the TDC brand after quarters with small losses
- Extraordinarily high net loss of Business broadband customers (-13k vs. Q1 2014), related partly to employee broadband and home office connections
- Launch of home office connections and employee broadband in Q3 in Business to YouSee TV customers
- Large focus on Business fibre sales in Q2 2014 resulted in a very satisfactory increase in customer sign-ups

Broadband[1] **DKK/'000**



[1] Compared with the TDC Factsheet, Q3 13 data have been adjusted to reflect a movement of 15k "Fullrate Erhverv" RGUs from Consumer to Business and in Q4 13 data have been adjusted for the acquisition of ComX, 29k subscribers.

YTD financial performance

Reported domestic revenue and gross profit from internet & network decreased by 1.6%, driven by Business. The gross profit margin remained at the same level as in H1 2013. Acquisition of ComX in December 2013 had a positive effect on revenue and gross profit.

Consumer

Revenue from broadband increased by 1.5% to DKK 1,185m in H1 2014, and thus Consumer continued its positive trend with an increase in the customer base of 19k and a DKK 2 rise in ARPU. Growth was driven by YouSee attracting customers with high bandwidth and the flexibility in speeds of mix-it-yourself; more than 125k customers have now signed up for the possibility of mix-it-yourself.

Business

Revenue decreased by DKK 85m or 7.1%, driven largely by broadband and fibre. The decline in broadband revenue was due primarily to an ARPU decrease of DKK 18 following the ongoing migration to products with lower ARPU, while revenue from fibre decreased as price competition put pressure on ARPU levels. Supported by fibre campaign activity in Q2 2014, the fibre customer base increased, especially in the small accounts.

Wholesale

Revenue increased slightly by 1.5% to DKK 343m, and was positively affected by increased activity in international capacity and more xDSL customers. This was almost offset by a 9k drop in the ULL subscriber base and mixed effects of customers migrating from BSA to lower ARPU VULA products.

Domestic internet & network, key financial data **DKKm**

		Q2 2014	Q2 2013	Change in %	H1 2014	H1 2013	Change in %
	DKKm						
Revenue		**1,302**	**1,321**	**(1.4)**	**2,622**	**2,664**	**(1.6)**
Consumer		596	586	1.7	1,185	1,168	1.5
Business		543	589	(7.8)	1,108	1,193	(7.1)
Wholesale		171	167	2.4	343	338	1.5
Other incl. eliminations		(8)	(21)	61.9	(14)	(35)	60.0
Gross profit		**1,194**	**1,220**	**(2.1)**	**2,401**	**2,439**	**(1.6)**
Gross profit margin	%	91.7	92.4	-	91.6	91.6	-
Organic revenue[1]	DKKm	1,302	1,328	(2.0)	2,622	2,679	(2.1)
Organic gross profit[1]		1,194	1,226	(2.6)	2,401	2,450	(2.0)

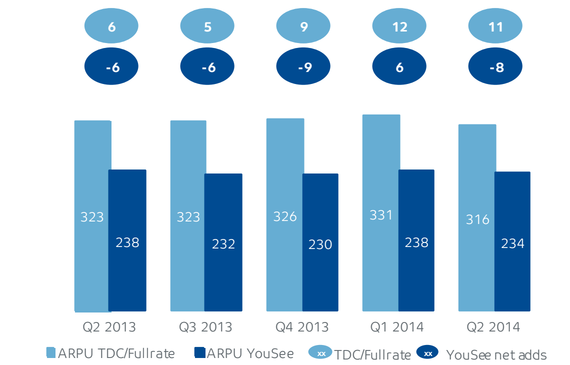
[1] Reported revenue and gross profit excluding the impact from regulatory price adjustments as well as the impact from acquisitions and divestments.

TV

Q2 highlights

- The TDC brand and Fullrate continued to achieve very high net adds, with an increase of 11k customers vs. Q1 2014
- Negative net adds of 8k in YouSee vs. Q1 2014 resulted from a drop in individual customers as well as leakage from antenna associations
- ARPU declined vs. Q1 2014 in both the TDC brand/Fullrate and YouSee, driven by existing TDC TV customers migrating to the new portfolio and downward migrations in YouSee

TV[1] DKK/'000



[1] Compared with TDC Group Factsheet, Q4 13 data have been adjusted for the acquisition of ComX, 11k subscribers.

YTD financial performance

Reported domestic revenue from TV increased by 2.4% to DKK 2,135m in H1 2014. The gross profit margin declined from 54.3% to 53.4%, due to higher customer intake in the new TDC TV portfolio, which has a lower margin as the content has been improved at a lower package price. Acquisition of ComX in December 2013 had a positive effect on revenue and gross profit.

TDC and Fullrate

TDC and Fullrate TV succeeded in delivering revenue growth of 16.8% or DKK 64m in H1 2014, driven by large growth in subscriber bases totalling 37k. The newly launched TDC TV portfolio successfully reduced the churn rate and now 23% of all TDC TV customers have the new portfolio. Fullrate TV continued its positive trend from recent quarters, still with a relatively low rate of cannibalisation within TDC Group.

ARPU development was flat as the increased subscription fees[2] on TDC TV effective at 1 January 2014 were to some extent offset by customers migrating to the new TDC TV portfolio with a lower ARPU, and campaigns in Fullrate.

YouSee

Revenue in YouSee decreased by 1.1% or DKK 18m in H1 2014, driven by customer shortfall as ARPU remained flat.

YouSee's customer base decreased by 17k customers equally divided between individual and organised customers. Increased subscription fees from 1 January 2014[2] were offset by downward migrations leading to a flat ARPU development. Downward migrations, driven by reduced time spent on flow TV in favour of streaming services, also negatively affected the share of customers with an entry-level TV package, which increased by 2.3 percentage points (a total of 385k customers across brands).

[2] Increase in prices per month on TDC TV from 4% to 7% and 5%. Also, price increase per month on the YouSee Basic package, 8% on the YouSee Medium package and 4% on the YouSee Full packages. All price increases including VAT and copyrights and effective at 1 January 2014.

Domestic TV, key financial data DKKm

		Q2 2014	Q2 2013	Change in %	H1 2014	H1 2013	Change in %
	DKKm						
Revenue		**1,060**	**1,049**	**1.0**	**2,135**	**2,084**	**2.4**
TDC/Fullrate brand		223	196	13.8	445	381	16.8
YouSee brand		819	837	(2.2)	1,655	1,673	(1.1)
Other incl. eliminations		18	16	12.5	35	30	16.7
Gross profit		**569**	**572**	**(0.5)**	**1,141**	**1,131**	**0.9**
Gross profit margin	%	53.7	54.5	-	53.4	54.3	-
Organic revenue[1]	DKKm	1,060	1,056	0.4	2,135	2,098	1.7
Organic gross profit[1]		569	572	(0.6)	1,141	1,132	0.8

[1] Reported revenue and gross profit excluding the impact from acquisitions and divestments.

Nordic

Q2 highlights

- Organic revenue remained under pressure in TDC Sweden (-4.8% vs. Q2 2013), which related primarily to the low margin integrator business, but recent contract wins, e.g. Västmanlands Läns Landsting, reveal a promising pipeline

- In Norway, organic revenue increased by DKK 3m, but due to a changed product mix with growth in low-margin areas, organic EBITDA in Norway decreased by DKK 11m, which constituted the total organic EBITDA decrease in Nordic

YTD financial performance

Reported revenue in Nordic, which decreased by DKK 158m or 8.5%, was negatively affected by adverse SEK/NOK exchange-rate developments (DKK 100m). Organic revenue growth in Sweden was challenged, but Norway realised an almost flat development as reduced revenue from operator services was offset by increased revenue from the low-margin integrator business.

Reported gross profit decreased by 4.3% (-4.6% in TDC Sweden and -12.2% in TDC Norway), although this was positively affected by one-offs on transmission costs due to reversed provisions related to regulatory pricing decisions in both Sweden and Norway (DKK 29m) in Q1. Organic gross profit increased by 2.0%. The gross profit margin increased from 40.6% to 42.5% though with a flat development when one-offs are excluded.

Landline telephony
Revenue decreased by 18.8% or DKK 63m, which related to a decline in minutes of use caused by the migration away from landline telephony, combined with the general price erosion, which was especially evident in Norway.

Mobility services
Revenue increased by 9.9% or DKK 13m following a continued strong intake of 34k mobile subscribers driven by both TDC Sweden and TDC Norway. However, due to competition and lowered fixed-price packages, ARPU is under pressure primarily in Norway (ARPU decrease of 23.8%).

Internet & network
The revenue decline of 8.6% or DKK 52m was driven by a decrease in ARPU in both Sweden and Norway. The number of internet connections was relatively stable, and Nordic also successfully maintained the number of IP-VPN connections and thus defended its strong position in this mature market despite fierce competition from fibre operators.

Other services
The revenue decrease of 7.2% or DKK 56m was related to TDC Sweden, driven by a decline in revenue from service agreements and CaaS, which was at a high level in H1 2013, and disappointing sales in the Direct business[3] in Q2. In Norway, the low margin Direct business continued its positive trend.

[3] The Direct business comprises sales of handsets, conference telephones, headsets, tablets, etc. sold online and by Nordic's sales force.

Nordic, key financial data — DKKm

Nordic		Q2 2014	Q2 2013	Change in %	H1 2014	H1 2013	Change in %
	DKKm						
Revenue		**830**	**906**	**(8.4)**	**1,691**	**1,849**	**(8.5)**
TDC Sweden		623	692	(10.0)	1,286	1,403	(8.3)
TDC Norway		229	242	(5.4)	450	493	(8.7)
Other, incl. eliminations		(22)	(28)	21.4	(45)	(47)	4.3
Landline telephony		137	166	(17.5)	272	335	(18.8)
Mobility services		75	66	13.6	144	131	9.9
Internet & network		275	294	(6.5)	554	606	(8.6)
Other services[1]		343	380	(9.7)	721	777	(7.2)
Gross profit		**341**	**372**	**(8.3)**	**719**	**751**	**(4.3)**
Gross profit margin	%	41.1	41.1	-	42.5	40.6	-
Organic revenue[2]	DKKm	830	854	(2.8)	1,691	1,745	(3.1)
Organic gross profit[2]		341	348	(2.0)	719	705	2.0

[1] Including sale of terminal equipment, systems integration services, installation work and operator services etc.
[2] Reported revenue and gross profit excluding the impact from currency effects, impact from regulatory price adjustments as well as the impact from acquisitions and divestments.

Other services

Q2 highlights

- Continued lower sales of handsets without subsidies DKK -54m vs. Q2 2013
- TDC signed an agreement with Apple to sell iPads with financial effect from H2 2014
- Growth in sales of hardware and software in Netdesign vs. Q1 2014
- Bet25 off to a good start due to great interest in the World Cup and Brøndby IF sponsorship; performance as expected
- As part of changing TDC Group's digital profile, customers choosing to receive information on paper have been imposed a paper communication fee of DKK 29 per month effective from 1 July. This is in line with recent digitalisation initiatives by the Danish public sector.

YTD financial performance

Reported revenue from other services decreased by 7.6% or DKK 77m (-13.0% in Q1 vs. -1.3% in Q2), while gross profit increased by DKK 75m or 16.5%. This resulted in a considerably improved gross profit margin from 44.7% in H1 2013 to 56.4% in H1 2014.

Revenue from sales of handsets declined by 28.3% or DKK 133m due to a drop in sales of handsets without subsidies sold by Consumer, especially in the TDC brand. This was the result of reduced sales to a few large third-party vendors and increased competition from retailers. As handsets are low-margin products, the decrease improved the gross profit margin.

Revenue from the system integrator, Netdesign, decreased by 0.5 % or DKK 2m as strong competition negatively affected sales of hardware and software, especially in Q1 2014. However, the high-margin consultant and operations services achieved growth, almost offsetting the decrease from hardware and software, leading to a gross profit increase of 9.2%.

Other services, key financial data DKKm

		Q2 2014	Q2 2013	Change in %	H1 2014	H1 2013	Change in %
	DKKm						
Revenue		**463**	**469**	**(1.3)**	**938**	**1,015**	**(7.6)**
Sale of handsets		151	205	(26.3)	337	470	(28.3)
NetDesign		207	203	2.0	407	409	(0.5)
Other		105	61	72.1	194	136	42.6
Gross profit		**275**	**220**	**25.0**	**529**	**454**	**16.5**
Gross profit margin	%	59.4	46.9	-	56.4	44.7	-
Organic revenue[1]	DKKm	463	473	(2.1)	938	1,023	(8.3)
Organic gross profit[1]		275	221	24.2	529	457	15.8

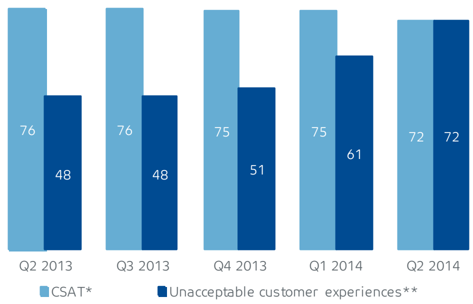
[1] Reported revenue and gross profit excluding the impact from acquisitions and divestments.

Operating expenses & capex

Q2 highlights

- Organic operating expenses reduced by 5.5% vs. Q2 2013, due to savings on wages and personnel-related costs as well as SAC/SRC and property costs
- Improvement in fault-handling hours continued at a lower level than 2013, with an improvement of 6.8% vs. Q2 2013 resulting from increased productivity
- Unacceptable customer experiences increased by 24 index points vs. Q2 2013, while customer satisfaction dropped 4 index points due to continued pressure on service levels following extraordinary call volumes
- Overall investment spending increased by 12.7% in Q2 2014, which related almost entirely to the planned upgrade and build-out of the mobile network. 4G mobile population coverage has now reached 84.6% (13.8%-points increase vs. Q1 2014)

KPI **Index**



*From 1 to100. A higher index equals a more positive customer satisfaction score.
**Q1 2009 = Index 100. A lower index equals a more positive customer experience.

The number of unacceptable customer experiences continued to increase, +24 index points vs. H1 2013, and reached index 72, while customer satisfaction dropped to index 72, or -4 index points vs. H1 2013. This was due to pressure on service levels in Channels as a result of significant increases in the number of customer calls (an increase of 18.8% vs. H1 2013) following the announced price increases, the introduction of a paper communication fee, a strike among technicians as well as system breakdowns. A comprehensive programme has been initiated, including recruitment of more staff in call centres, nearshoring, with the establishment of a call centre in Flensburg, Germany and transforming TDC Group's digital profile. As a result, the underlying trend of answered calls has improved by 11% and 22% in Q1 and Q2 2014, respectively, vs. the quarterly 2013 average, which shows positive prospects for when call levels return to normal.

YTD financial performance

Operating expenses

TDC Group succeeded in reducing reported operating expenses by 5.5% or DKK 213m in H1 2014, driven by both savings on wages and other external expenses.

Improved work procedures and higher efficiency across TDC Group contributed 5.9% or DKK 128m in savings on wages as the average number of FTEs was reduced by 3.0%.

In H1 2014, external expenses (including other income and expenses) decreased by 5.0% or DKK 85m, driven by savings on personnel-related costs in line with fewer FTEs and lower SAC and SRC, and less marketing spending in Consumer.

TDC Group operating expenses, key financial data and KPIs **DKKm**

		Q2 2014	Q2 2013	Change in %	H1 2014	H1 2013	Change in %
	DKKm						
Opex		**(1,850)**	**(1,964)**	5.8	**(3,657)**	**(3,870)**	5.5
Wages, salaries and pension costs		(1,045)	(1,099)	4.9	(2,025)	(2,153)	5.9
External expenses[1]		(805)	(865)	6.9	(1,632)	(1,717)	5.0
Organic opex	DKKm	(1,850)	(1,957)	5.5	(3,657)	(3,858)	5.2
Capital expenditure	DKKm	(957)	(849)	(12.7)	(1,820)	(1,716)	(6.1)
KPIs							
Fault-handling hours	Hours ('000)	140	150	6.8	282	301	6.2
Number of FTEs (end-of-period)	#	8,582	8,795	(2.4)	8,582	8,795	(2.4)
Average number of FTEs	#	8,587	8,857	(3.0)	8,587	8,857	(3.0)

[1] Including other income and expenses

Capital expenditure

Overall investment spending increased by 6.1% or DKK 104m in H1 2014. The increase was driven by significant spending on the mobile network in Q2 2014, as the Huawei upgrade and build-out was accelerated in March as planned. Mobile network investments are expected to continue at the high Q2 level during the rest of 2014. The increased spending also related to investments in especially fibre network and IT. Fibre remained the landline network technology that comprised the largest investment as TDC Group continued to bring fibre closer to customers. Fibre capex spending increased by 17.0% as substantially more fibre cables were added to the network. IT investments also increased as a result of calendarisation in Q1 2014, but returned to the level expected for the rest of the year in Q2.

Consolidated Financial Statements

Income Statements DKKm

TDC Group	Note	Q2 2014	Q2 2013	Change in %	H1 2014	H1 2013	Change in %
Revenue	**2**	**5,668**	**5,999**	**(5.5)**	**11,443**	**12,087**	**(5.3)**
Transmission costs and cost of goods sold		(1,464)	(1,604)	8.7	(2,981)	(3,328)	10.4
Gross profit		**4,204**	**4,395**	**(4.3)**	**8,462**	**8,759**	**(3.4)**
External expenses		(822)	(882)	6.8	(1,661)	(1,744)	4.8
Wages, salaries and pension costs	3	(1,045)	(1,099)	4.9	(2,025)	(2,153)	5.9
Other income		17	17	-	29	27	7.4
Operating profit before depreciation, amortisation and special items (EBITDA)	**2**	**2,354**	**2,431**	**(3.2)**	**4,805**	**4,889**	**(1.7)**
Depreciation		(624)	(660)	5.5	(1,268)	(1,322)	4.1
Amortisation		(504)	(526)	4.2	(991)	(1,048)	5.4
Impairment losses		(3)	(6)	50.0	(21)	(15)	(40.0)
Depreciation, amortisation and impairment losses		**(1,131)**	**(1,192)**	**5.1**	**(2,280)**	**(2,385)**	**4.4**
Operating profit (EBIT), excluding special items		**1,223**	**1,239**	**(1.3)**	**2,525**	**2,504**	**0.8**
Special items	4	(82)	(233)	64.8	(243)	(416)	41.6
Operating profit (EBIT)		**1,141**	**1,006**	**13.4**	**2,282**	**2,088**	**9.3**
Profit from joint ventures and associates		(4)	(1)	-	(6)	8	(175.0)
- of which special items		-	-	-	-	-	-
Interest income and expenses	5	(248)	(272)	8.8	(466)	(506)	7.9
Currency translation adjustments	5	41	(17)	-	30	3	-
Fair value adjustments	5	(124)	27	-	(144)	(5)	-
Interest on pension assets	6	59	67	(11.9)	117	133	(12.0)
Profit before income taxes		**865**	**810**	**6.8**	**1,813**	**1,721**	**5.3**
Income taxes related to profit, excluding special items		(250)	148	-	(530)	(135)	-
Income taxes related to special items		20	71	(71.8)	58	115	(49.6)
Total income taxes		**(230)**	**219**	**-**	**(472)**	**(20)**	**-**
Profit for the period from continuing operations		**635**	**1,029**	**(38.3)**	**1,341**	**1,701**	**(21.2)**
Profit for the period from discontinued operations		764	25	-	774	32	-
- of which special items		752	-	-	752	-	-
Profit for the period		**1,399**	**1,054**	**32.7**	**2,115**	**1,733**	**22.0**
Attributable to:							
Owners of the Parent Company		1,401	1,054	32.9	2,117	1,733	22.2
Minority interests		(2)	-	-	(2)	-	-
Profit for the period from continuing operations, excluding special items		**697**	**1,191**	**(41.5)**	**1,526**	**2,002**	**(23.8)**
EPS (DKK)							
Earnings Per Share, basic		1.76	1.32	33.3	2.65	2.17	22.1
Earnings Per Share, diluted		1.74	1.31	32.8	2.63	2.16	21.8
Adjusted EPS		1.09	1.36	(19.9)	2.34	2.63	(11.0)

Statements of Comprehensive Income DKKm

TDC Group	Q2 2014	Q2 2013	H1 2014	H1 2013
Profit for the period	**1,399**	**1,054**	**2,115**	**1,733**
Items that can be subsequently reclassified to the Income Statement:				
Currency translation adjustments, foreign enterprises	(37)	(70)	(23)	(92)
Fair value adjustments of cash flow hedges	(106)	(156)	(185)	(177)
Fair value adjustments of cash flow hedges transferred to the Income Statement	17	9	30	36
Items that cannot be subsequently reclassified to the Income Statement:				
Remeasurement effects related to defined benefit pension plans	(602)	(197)	(1,402)	(22)
Income tax relating to remeasurement effects from defined benefit pension plans	131	50	307	8
Change of corporate income tax rate (relating to defined benefit pension plans)	-	93	-	93
Other comprehensive income/(loss)	**(597)**	**(271)**	**(1,273)**	**(154)**
Total comprehensive income	**802**	**783**	**842**	**1,579**

Balance Sheets DKKm

TDC Group	Note	30 June 2014	31 December 2013	30 June 2013
Assets				
Non-current assets				
Intangible assets		30,759	31,411	32,020
Property, plant and equipment		15,214	15,403	15,276
Investments in joint ventures and associates		31	17	124
Other investments		50	51	7
Deferred tax assets		-	33	80
Pension assets	6	5,360	6,708	7,932
Receivables		281	271	240
Derivative financial instruments		173	137	155
Prepaid expenses		301	288	276
Total non-current assets		**52,169**	**54,319**	**56,110**
Current assets				
Inventories		337	331	320
Receivables		3,338	3,699	3,820
Derivative financial instruments		209	266	82
Prepaid expenses		615	623	706
Cash		1,811	1,172	431
Total current assets		**6,310**	**6,091**	**5,359**
Total assets		**58,479**	**60,410**	**61,469**
Equity and liabilities				
Share capital		812	812	812
Reserves		(995)	(817)	(665)
Retained earnings		18,470	18,603	19,936
Proposed dividends		1,218	1,786	1,218
Equity attributable to owners of the Parent Company		**19,505**	**20,384**	**21,301**
Minority interests		3	-	-
Total equity		**19,508**	**20,384**	**21,301**
Non-current liabilities				
Deferred tax liabilities		3,511	3,953	4,579
Provisions		851	960	920
Pension liabilities	6	93	92	76
Loans	7	17,527	23,356	23,353
Derivative financial instruments		198	186	239
Deferred income		551	633	692
Total non-current liabilities		**22,731**	**29,180**	**29,859**
Current liabilities				
Loans	7	6,181	133	136
Trade and other payables		6,037	6,837	5,885
Income tax payable		621	331	863
Derivative financial instruments		263	76	129
Deferred income		2,854	2,958	2,942
Provisions		284	511	354
Total current liabilities		**16,240**	**10,846**	**10,309**
Total liabilities		**38,971**	**40,026**	**40,168**
Total equity and liabilities		**58,479**	**60,410**	**61,469**

Statements of Cash Flow DKKm

	Q2 2014	Q2 2013	Change in %	H1 2014	H1 2013	Change in %
Operating profit before depreciation, amortisation and special items (EBITDA)	2,354	2,431	(3.2)	4,805	4,889	(1.7)
Adjustment for non-cash items	4	41	(90.2)	78	130	(40.0)
Pension contributions	(29)	(33)	12.1	(66)	(75)	12.0
Payments related to provisions	(6)	(1)	-	(8)	(3)	(166.7)
Cash flow related to special items	(186)	(135)	(37.8)	(314)	(311)	(1.0)
Change in working capital	(63)	(422)	85.1	(237)	(510)	53.5
Cash flow from operating activities before net financials and tax	**2,074**	**1,881**	**10.3**	**4,258**	**4,120**	**3.3**
Interest paid, net	(27)	(60)	55.0	(666)	(780)	14.6
Realised currency translation adjustments	14	(8)	-	15	16	(6.3)
Cash flow from operating activities before tax	**2,061**	**1,813**	**13.7**	**3,607**	**3,356**	**7.5**
Income tax paid	-	(139)	-	(313)	(302)	(3.6)
Cash flow from operating activities in continuing operations	**2,061**	**1,674**	**23.1**	**3,294**	**3,054**	**7.9**
Cash flow from operating activities in discontinued operations	(24)	44	(154.5)	3	44	(93.2)
Total cash flow from operating activities	**2,037**	**1,718**	**18.6**	**3,297**	**3,098**	**6.4**
Investment in enterprises	(189)	2	-	(188)	2	-
Investment in property, plant and equipment	(779)	(646)	(20.6)	(1,372)	(1,341)	(2.3)
Investment in intangible assets	(178)	(234)	23.9	(439)	(405)	(8.4)
Investment in other non-current assets	(24)	(1)	-	(50)	(1)	-
Sale of property, plant and equipment	2	3	(33.3)	21	3	-
Sale of other non-current assets	16	1	-	19	3	-
Change in loans to joint ventures and associates	-	-	-	10	-	-
Dividends received from joint ventures and associates	1	-	-	1	-	-
Cash flow from investing activities in continuing operations	**(1,151)**	**(875)**	**(31.5)**	**(1,998)**	**(1,739)**	**(14.9)**
Cash flow from investing activities in discontinued operations	1,140	(13)	-	1,128	(29)	-
Total cash flow from investing activities	**(11)**	**(888)**	**98.8**	**(870)**	**(1,768)**	**50.8**
Finance lease repayments	(14)	(16)	12.5	(27)	(35)	22.9
Change in short-term bank loans	(205)	(176)	(16.5)	-	3	-
Dividends paid	(425)	(420)	(1.2)	(1,761)	(1,837)	4.1
Cash flow from financing activities in continuing operations	**(644)**	**(612)**	**(5.2)**	**(1,788)**	**(1,869)**	**4.3**
Cash flow from financing activities in discontinued operations	-	(8)	-	-	(3)	-
Total cash flow from financing activities	**(644)**	**(620)**	**(3.9)**	**(1,788)**	**(1,872)**	**4.5**
Total cash flow	**1,382**	**210**	**-**	**639**	**(542)**	**-**
Cash and cash equivalents (beginning-of-period)	429	221	94.1	1,172	973	20.5
Cash and cash equivalents (end-of-period)	**1,811**	**431**	**-**	**1,811**	**431**	**-**

Equity free cash flow DKKm

TDC Group	Q2 2014	Q2 2013	Change in %	H1 2014	H1 2013	Change in %
EBITDA	2,354	2,431	(3.2)	4,805	4,889	(1.7)
Change in working capital	(63)	(422)	85.1	(237)	(510)	53.5
Interest paid, net	(27)	(60)	55.0	(666)	(780)	14.6
Income tax paid	0	(139)	-	(313)	(302)	(3.6)
Cash flow from capital expenditure	(957)	(880)	(8.8)	(1,811)	(1,746)	(3.7)
Cash flow related to special items	(186)	(135)	(37.8)	(314)	(311)	(1.0)
Other	(31)	(17)	(82.4)	(8)	33	(124.2)
Equity free cash flow	**1,090**	**778**	**40.1**	**1,456**	**1,273**	**14.4**

Statements of Changes in Equity DKKm

TDC Group	Equity attributable to owners of the Parent Company						Minority interests	Total
	Share capital	Reserve for currency translation adjustments	Reserve for cash flow hedges	Retained earnings	Proposed dividends	Total		
Equity at 1 January 2013	825	(542)	110	19,222	1,898	21,513	-	21,513
Profit for the period	-	-	-	515	1,218	1,733	-	1,733
Currency translation adjustments, foreign enterprises	-	(92)	-	-	-	(92)	-	(92)
Fair value adjustments of cash flow hedges	-	-	(177)	-	-	(177)	-	(177)
Fair value adjustments of cash flow hedges transferred to the Income Statement	-	-	36	-	-	36	-	36
Remeasurement effects related to defined benefit pension plans	-	-	-	(22)	-	(22)	-	(22)
Income tax relating to remeasurement effects from defined benefit pension plans	-	-	-	8	-	8	-	8
Change of corporate income tax rate (relating to defined benefit pension plans)	-	-	-	93	-	93	-	93
Total comprehensive income	**-**	**(92)**	**(141)**	**594**	**1,218**	**1,579**	**-**	**1,579**
Distributed dividends	-	-	-	-	(1,898)	(1,898)	-	(1,898)
Dividends, treasury shares	-	-	-	61	-	61	-	61
Cancellation of treasury shares	(13)	-	-	13	-	-	-	-
Share-based remuneration	-	-	-	46	-	46	-	46
Total transactions with shareholders	**(13)**	**-**	**-**	**120**	**(1,898)**	**(1,791)**	**-**	**(1,791)**
Equity at 30 June 2013	**812**	**(634)**	**(31)**	**19,936**	**1,218**	**21,301**	**-**	**21,301**

TDC Group	Equity attributable to owners of the Parent Company						Minority interests	Total
	Share capital	Reserve for currency translation adjustments	Reserve for cash flow hedges	Retained earnings	Proposed dividends	Total		
Equity at 1 January 2014	812	(691)	(126)	18,603	1,786	20,384	-	20,384
Profit for the period	-	-	-	899	1,218	2,117	(2)	2,115
Currency translation adjustments, foreign enterprises	-	(23)	-	-	-	(23)	-	(23)
Fair value adjustments of cash flow hedges	-	-	(185)	-	-	(185)	-	(185)
Fair value adjustments of cash flow hedges transferred to the Income Statement	-	-	30	-	-	30	-	30
Remeasurement effects related to defined benefit pension plans	-	-	-	(1,402)	-	(1,402)	-	(1,402)
Income tax relating to remeasurement effects from defined benefit pension plans	-	-	-	307	-	307	-	307
Total comprehensive income	**-**	**(23)**	**(155)**	**(196)**	**1,218**	**844**	**(2)**	**842**
Distributed dividends	-	-	-	-	(1,786)	(1,786)	-	(1,786)
Dividends, treasury shares	-	-	-	25	-	25	-	25
Share-based remuneration	-	-	-	38	-	38	-	38
Additions to minority interests	-	-	-	-	-	-	5	5
Total transactions with shareholders	**-**	**-**	**-**	**63**	**(1,786)**	**(1,723)**	**5**	**(1,718)**
Equity at 30 June 2014	**812**	**(714)**	**(281)**	**18,470**	**1,218**	**19,505**	**3**	**19,508**

Distributed dividends net of dividends related to treasury shares amounted to DKK 1,761m (H1 2013: DKK 1,837m).

Notes to Consolidated Financial Statements

Note 1 Accounting policies

TDC's Interim Financial Report for H1 2014 has been prepared in accordance with IAS34 Interim Financial Reporting and the additional disclosure requirements for listed companies.

Following the divestment of TDC's Finnish subsidiaries, these activities are classified as "Discontinued operations" in TDC's consolidated financial statements. Comparative figures in the income statements and cash flow statements are restated accordingly.

When preparing the Consolidated Financial Statements, Management makes assumptions that affect the reported amount of assets and liabilities at the balance sheet date, and the reported income and expenses for the accounting period. The accounting estimates and judgements considered material to the preparation appear from note 2 to the Consolidated Financial Statement for 2013, cf. TDC's Group Annual Report 2013.

Note 2 Segment reporting

Effective from 1 January 2014, TDC made certain organisational changes that impacted on TDC's segment reporting:

- Transfer of operating expenses related to TDC Shops from Consumer to Channels. Now call centres, online services and shops are integrated in one business line, Channels.
- Full integration of Telmore in TDC Group resulting in transfer of operational expenses from Consumer to the cost centres Channels, Operations and HQ.
- Other minor transfers between business lines including discontinuation of certain internal cost allocations that impacted on Business and Operations.

Comparative figures have been restated accordingly.

In TDC's Fact Sheets, financial data are reported for the business units Consumer, Business, Wholesale, Nordic and Cost centre, covering the three organisational units Operations, Channels and Headquarters, which constitute the majority of the Danish cost base.

Segments DKKm

	Consumer		Business		Wholesale	
	Q2 2014	Q2 2013	Q2 2014	Q2 2013	Q2 2014	Q2 2013
Landline telephony	309	384	327	379	66	76
Mobility services	756	846	455	481	107	105
Internet and network	596	586	543	589	171	167
TV	1,042	1,033	11	10	8	6
Other services	200	252	257	248	33	35
Revenue	**2,903**	**3,101**	**1,593**	**1,707**	**385**	**389**
Total operating expenses excl. depreciation, etc.	(999)	(1,100)	(494)	(505)	(119)	(108)
Other income and expenses	4	(13)	-	-	-	-
EBITDA	**1,908**	**1,988**	**1,099**	**1,202**	**266**	**281**
Specification of revenue:						
External revenue	2,901	3,098	1,534	1,648	346	335
Revenue across segments	2	3	59	59	39	54

	Nordic		Operations & Channels		Total	
	Q2 2014	Q2 2013	Q2 2014	Q2 2013	Q2 2014	Q2 2013
Landline telephony	-	-	5	3	707	842
Mobility services	-	-	-	-	1,318	1,432
Internet and network	-	-	23	15	1,333	1,357
TV	-	-	-	-	1,061	1,049
Other services	-	-	79	52	569	587
Nordic	830	906	-	-	830	906
Revenue	**830**	**906**	**107**	**70**	**5,818**	**6,173**
Total operating expenses excl. depreciation, etc.	(734)	(790)	(1,018)	(1,083)	(3,364)	(3,586)
Other income and expenses	-	-	20	26	24	13
EBITDA	**96**	**116**	**(891)**	**(987)**	**2,478**	**2,600**
Specification of revenue:						
External revenue	789	860	98	58	5,668	5,999
Revenue across segments	41	46	9	12	150	174

Reconciliation of revenue DKKm

	Q2 2014	Q2 2013
Reportable segments	5,818	6,173
Elimination of revenue across segments	(150)	(174)
Consolidated external revenue	**5,668**	**5,999**

Reconciliation of profit before depreciation, amortisation and special items (EBITDA) DKKm

Reconciliation of profit before depreciation, amortisation and special items (EBITDA)	Q2 2014	Q2 2013
EBITDA from reportable segments	2,478	2,600
EBITDA from Headquarters	(124)	(169)
Elimination of EBITDA	-	-
Unallocated:		
Depreciation, amortisation and impairment losses	(1,131)	(1,192)
Special items	(82)	(233)
Profit from associates and joint ventures	(4)	(1)
Interest income and expenses	(248)	(272)
Currency translation adjustments	41	(17)
Fair value adjustments	(124)	27
Interest on pension assets	59	67
Consolidated profit before income taxes	**865**	**810**

Segments DKKm

Activities H1 2014

	Consumer		Business		Wholesale	
	H1 2014	H1 2013	H1 2014	H1 2013	H1 2014	H1 2013
Landline telephony	637	768	658	736	133	158
Mobility services	1,520	1,684	909	971	215	194
Internet and network	1,185	1,168	1,108	1,193	343	338
TV	2,100	2,054	21	19	15	11
Other services	427	555	502	507	65	72
Revenue	**5,869**	**6,229**	**3,198**	**3,426**	**771**	**773**
Total operating expenses excl. depreciation, etc.	(2,042)	(2,267)	(975)	(1,049)	(237)	(223)
Other income and expenses	9	(20)	-	-	-	-
EBITDA	**3,836**	**3,942**	**2,223**	**2,377**	**534**	**550**
Specification of revenue:						
External revenue	5,865	6,226	3,084	3,318	703	677
Revenue across segments	4	3	114	108	68	96

	Nordic		Operations & Channels		Total	
	H1 2014	H1 2013	H1 2014	H1 2013	H1 2014	H1 2013
Landline telephony	-	-	9	6	1,437	1,668
Mobility services	-	-	1	1	2,645	2,850
Internet and network	-	-	46	26	2,682	2,725
TV	-	-	-	-	2,136	2,084
Other services	-	-	151	115	1,145	1,249
Nordic	1,691	1,849	-	-	1,691	1,849
Revenue	**1,691**	**1,849**	**207**	**148**	**11,736**	**12,425**
Total operating expenses excl. depreciation, etc.	(1,451)	(1,612)	(2,017)	(2,152)	(6,722)	(7,303)
Other income and expenses	-	1	32	42	41	23
EBITDA	**240**	**238**	**(1,778)**	**(1,962)**	**5,055**	**5,145**
Specification of revenue:						
External revenue	1,603	1,745	188	121	11,443	12,087
Revenue across segments	88	104	19	27	293	338

Reconciliation of revenue DKKm

	H1 2014	H1 2013
Reportable segments	11,736	12,425
Elimination of revenue across segments	(293)	(338)
Consolidated external revenue	**11,443**	**12,087**

Reconciliation of profit before depreciation, amortisation and special items (EBITDA) DKKm

Reconciliation of profit before depreciation, amortisation and special items (EBITDA), DKKm	H1 2014	H1 2013
EBITDA from reportable segments	5,055	5,145
EBITDA from Headquarters	(250)	(256)
Elimination of EBITDA	-	-
Unallocated:		
Depreciation, amortisation and impairment losses	(2,280)	(2,385)
Special items	(243)	(416)
Profit from associates and joint ventures	(6)	8
Interest income and expenses	(466)	(506)
Currency translation adjustments	30	3
Fair value adjustments	(144)	(5)
Interest on pension assets	117	133
Consolidated profit before income taxes	**1,813**	**1,721**

Note3 Employees

FTEs (EoP)	H1 2014	2013	H1 2013	Change in % H1 2014 vs. H1 2013	Change in % H1 2014 vs. 2013
Consumer [1]	444	416	448	(0.9)	6.7
Business	1,123	1,125	1,081	3.9	(0.2)
Wholesale	129	129	134	(3.7)	-
Nordic	962	980	1,023	(6.0)	(1.8)
Cost centre [2] [3]	5,924	5,937	6,109	(3.0)	(0.2)
TDC Group	**8,582**	**8,587**	**8,795**	**(2.4)**	**(0.1)**
TDC Group, domestic	**7,622**	**7,612**	**7,775**	**(2.0)**	**0.1**

Average number of FTEs	H1 2014	2013	H1 2013	Change in % H1 2014 vs. H1 2013	Change in % H1 2014 vs. 2013
Consumer [1]	427	446	459	(7.0)	(4.3)
Business	1,126	1,096	1,092	3.1	2.7
Wholesale	128	135	137	(6.6)	(5.2)
Nordic	970	1,005	1,012	(4.2)	(3.5)
Cost centre [2] [3]	5,936	6,070	6,157	(3.6)	(2.2)
TDC Group	**8,587**	**8,752**	**8,857**	**(3.0)**	**(1.9)**
TDC Group, domestic	**7,620**	**7,751**	**7,849**	**(2.9)**	**(1.7)**

[1] Including Bet25 with 37 FTE as from April 2014.
[2] Includes Operations, Channels, Headquarters, expats and personnel on leave, etc.
[3] Including ComX with 60 FTEs as from December 2013.

Note 4 Special items

Special items include significant amounts that cannot be attributed to normal operations such as restructuring costs and special write-downs for impairment of intangible assets and property, plant and equipment. Special items also include gains and losses related to divestment of enterprises, as well as transaction costs and adjustments of purchase prices relating to acquisition of enterprises on or after 1 January 2010.

Items of a similar nature for non-consolidated enterprises are recognised under profit from joint ventures and associates and profit from discontinued operations, respectively.

Special items related to discontinued operations in H1 2014 resulted primarily from the divestment of TDC Finland. In addition, the positive YoY development in special items was due to lower costs related to redundancy programmes and vacant tenancies resulting from additional provisions to vacant tenancies in Q1 2013. Income from rulings in H1 2013 comprised a settlement (DKK 57m) of a Swedish dispute over interconnect fees.

TDC has entered into agreements on property leases terminating in 2041 at the latest. Provisions have been made for expected expenses in relation to vacant tenancies, based on factors such as the expected timing and level of rent for sublet tenancies. The vacant tenancies comprise surplus premises in offices, telephone exchanges, etc. following the reduced number of employees and less space-demanding equipment. TDC will continue to sublet additional tenancies following further reductions in the number of employees and upgrading to technical equipment that requires fewer square metres.

Special items — DKKm

TDC Group	Q2 2014	Q2 2013	H1 2014	H1 2013
Consolidated enterprises:				
Costs related to redundancy programmes and vacant tenancies	(57)	(231)	(205)	(401)
Other restructuring costs, etc.	(24)	(46)	(45)	(54)
Impairment losses	-	(10)	-	(13)
Income from rulings	1	57	9	57
Loss from rulings	(2)	(3)	(2)	(5)
Special items before income taxes	**(82)**	**(233)**	**(243)**	**(416)**
Income taxes related to special items	20	71	58	115
Special items after income taxes in consolidated enterprises	**(62)**	**(162)**	**(185)**	**(301)**
Special items related to discontinued operations	752	-	752	-
Total special items after taxes	**690**	**(162)**	**567**	**(301)**

Cash flow from special items — DKKm

TDC Group	Q2 2014	Q2 2013
Redundancy programmes and vacant tenancies	(109)	(100)
Rulings	(3)	(7)
Other	(74)	(28)
Total	**(186)**	**(135)**
	H1 2014	**H1 2013**
Redundancy programmes and vacant tenancies	(239)	(217)
Rulings	(7)	(6)
Other	(68)	(88)
Total	**(314)**	**(311)**

Note 5 Net financials

Net financials[1] represented an expense of DKK 580m in H1 2014, a DKK 72m increase compared with H1 2013, driven by:

- Interest decreasing by DKK 40m, due primarily to interest related to income taxes in H1 2013.
- Fair value adjustment losses increasing by DKK 139m due primarily to decreasing market interest rates resulting in a loss on interest rate swaps not treated as hedge accounting. The losses in H1 2014 included pre-hedges related to TDC's coming refinancing due to EMTN bonds maturing in 2015.
- Currency translation adjustments increasing by DKK 27m related primarily to EMTN EUR bond debt and EMTN GBP bond debt swapped to EUR.

Approximately 43% of the issued fixed interest-rate EMTN loans were swapped to floating interest rates. In addition, the EMTN GBP bond debt was swapped to EUR. Both types of derivatives are treated as hedge accounting[2]. Furthermore, TDC uses derivatives that are not treated as hedge accounting, to manage interest rate risks.

[1] Comprises interest, currency translation adjustments and fair value adjustments.
[2] The GBP EMTN loan is hedged to the fixed EUR interest rate and treated as hedge accounting. The hedge is recognised in Other comprehensive income and the ineffective part of the hedge is reversed from equity and recognised as fair value adjustments in the Income Statements. The test of efficiency is comparing the GBP/EUR hedge with a theoretical GBP/DKK hedge.

Net financials DKKm

TDC Group	Q2 2014			
	Interest	Currency translation adjustments	Fair value adjustments	Total
Euro Medium Term Notes (EMTNs) incl. hedges (treated as hedge accounting)	(224)	25	(19)	(218)
Other hedges (not treated as hedge accounting)	-	-	(105)	(105)
Other	(24)	16	-	(8)
Net financials	**(248)**	**41**	**(124)**	**(331)**

TDC Group	Q2 2013			
	Interest	Currency translation adjustments	Fair value adjustments	Total
Euro Medium Term Notes (EMTNs) incl. hedges (treated as hedge accounting)	(222)	(18)	(8)	(248)
Other hedges (not treated as hedge accounting)	-	-	35	35
Other	(50)	1	-	(49)
Net financials	**(272)**	**(17)**	**27**	**(262)**

TDC Group	H1 2014			
	Interest	Currency translation adjustments	Fair value adjustments	Total
Euro Medium Term Notes (EMTNs) incl. hedges (treated as hedge accounting)	(429)	14	(32)	(447)
Other hedges (not treated as hedge accounting)	-	-	(112)	(112)
Other	(37)	16	-	(21)
Net financials	**(466)**	**30**	**(144)**	**(580)**

TDC Group	H1 2013			
	Interest	Currency translation adjustments	Fair value adjustments	Total
Euro Medium Term Notes (EMTNs) incl. hedges (treated as hedge accounting)	(433)	(1)	(36)	(470)
Other hedges (not treated as hedge accounting)	-	-	31	31
Other	(73)	4	-	(69)
Net financials	**(506)**	**3**	**(5)**	**(508)**

[3] Interest is specified as follows: Q2 2014 DKK (248m): Interest income, DKK 11m and interest expenses DKK (259m); Q2 2013 DKK (272m): Interest income DKK 8m and interest expenses DKK (280m); H1 2014 DKK (466m): Interest income, DKK 25m and interest expenses DKK (491m); H1 2013 DKK (506m): Interest income DKK 17m and interest expenses DKK (523m).

Note 6 Pension assets and pension obligations

Pension (costs)/income DKKm

TDC Group	Q2 2014	Q2 2013	H1 2014	H1 2013
Specification of plans:				
Domestic	24	25	48	50
TDC Norway	(2)	(3)	(6)	(8)
Pension income/(costs) from defined benefit plans	**22**	**22**	**42**	**42**
Recognition:				
Service cost[1]	(34)	(42)	(70)	(85)
Administration costs	(3)	(3)	(5)	(6)
Wages, salaries and pension costs (included in EBITDA)	**(37)**	**(45)**	**(75)**	**(91)**
Interest on pension assets	59	67	117	133
Pension income/(costs) from defined benefit plans recognised in the income statements	**22**	**22**	**42**	**42**

[1] The increase in the present value of the defined benefit obligation resulting from employees' services in the current period.

Domestic defined benefit plan DKKm

The pension fund operates defined benefit plans via a separate legal entity supervised by the Danish Financial Supervisory Authority (FSA). In accordance with existing legislation, Articles of Association and the pension regulations, TDC is required to make contributions to meet the capital adequacy requirements. Distribution of funds from the pension fund to TDC is not possible until all pension obligations have been met. Since 1990, no new members have joined the pension fund plans, and the pension fund is prevented from admitting new members in the future due to the Articles of Association.

Pension (costs)/income	Q2 2014	Q2 2013	H1 2014	H1 2013
Service cost	(32)	(39)	(65)	(78)
Administration costs	(3)	(3)	(5)	(6)
Wages, salaries and pension costs (included in EBITDA)	**(35)**	**(42)**	**(70)**	**(84)**
Interest on pension assets	59	67	118	134
Pension (costs)/income	**24**	**25**	**48**	**50**
Domestic redundancy programmes recognised in special items	(12)	(14)	(61)	(64)
Total pension (costs)/income recognised in the Income Statements	**12**	**11**	**(13)**	**(14)**

Assets and obligations	30 June 2014	31 December 2013	30 June 2013
Specification of pension assets			
Fair value of plan assets	30,169	28,421	28,965
Defined benefit obligations	(24,809)	(21,713)	(21,033)
Pension assets recognised in the Balance Sheets	**5,360**	**6,708**	**7,932**
Change in pension assets			
Pension assets recognised at 1 January	6,708	7,918	7,918
Pension (costs)/income	(13)	(17)	(14)
Remeasurement effects	(1,398)	(1,273)	(34)
TDC's contribution	63	80	62
Pension assets recognised in the Balance Sheets	**5,360**	**6,708**	**7,932**
Discount rate (%)			
Used to determine benefit obligations	2.50	3.50	3.90
Used to determine pension cost/income	3.50	3.35	3.35

Foreign defined benefit plans

TDC's foreign defined benefit plans concern TDC Norway. The difference between the actuarially determined pension obligations and the fair value of the pension funds' assets is recognised in the Balance Sheets under pension liabilities. Pension contributions related to foreign defined benefit plans amounted to DKK 10m in H1 2014 and DKK 14m in H1 2013. Pension liabilities related to foreign defined benefit plans amounted to DKK 93m at 30 June 2014 and DKK 76m at 30 June 2013.

Note 7 Loans and net interest-bearing debt

Net interest-bearing debt totalled DKK 21,018m at the end of H1 2014. This resulted in a leverage ratio (Net interest bearing debt/EBITDA) of 2.1, within our financial policy of a leverage ratio of or below 2.2 on average over the financial year. During H1 2014, net interest-bearing debt decreased by DKK 636m due to the divestment of TDC Finland and positive net cash flows from operating and investing activities, which was partly offset by dividends paid.

Approximately 43% of the fixed interest-rate EMTN bond debt has been swapped to floating interest rates. In addition, the EMTN GBP bond debt was swapped to fixed EUR interest rates. Both types of derivatives are treated as hedge accounting.

Net interest-bearing debt DKKm

TDC Group	30June 2014	31 December 2013	30June 2013
Loans (Non-current liabilities):			
Euro Medium Term Notes (EMTN)	16,995	22,819	22,742
Debt relating to finance leases	117	99	123
Other loans	415	438	488
Total	**17,527**	**23,356**	**23,353**
Loans (Current liabilities):			
Euro Medium Term Notes (EMTN)	6,144	94	95
Debt relating to finance leases	37	39	41
Total	**6,181**	**133**	**136**
Total loans	**23,708**	**23,489**	**23,489**
Interest-bearing payables	13	3	4
Gross interest-bearing debt	**23,721**	**23,492**	**23,493**
Interest-bearing receivables and investments	(276)	(267)	(191)
Cash and cash equivalents	(1,811)	(1,172)	(431)
Derivative financial instruments hedging fair value and currency on loans	(616)	(399)	(497)
Net interest-bearing debt	**21,018**	**21,654**	**22,374**

Euro Medium Term Notes (EMTNs) Bonds

Euro Medium Term Notes (EMTN)		2015	2015	2018	2022	2023	Total
Maturity		23 Feb 2015	16 Dec 2015	23 Feb 2018	02 Mar 2022	23 Feb 2023	
Fixed/Floating rate		Fixed	Fixed	Fixed	Fixed	Fixed	
Coupon		3.500%	5.875%	4.375%	3.750%	5.625%	
Outstanding amount[1] at 1 April 2014	EURm	800	274	800	500	-	2,374
Outstanding amount[1] at 1 April 2014	GBPm	-	-	-	-	550	550
Outstanding amount[1] at 30 June 2014	**EURm**	**800**	**274**	**800**	**500**	-	**2,374**
Outstanding amount[1] at 30 June 2014	**GBPm**	**-**	**-**	**-**	**-**	**550**	**550**
Outstanding amount[1] at 30 June 2014	**DKKm**	**5,965**	**2,039**	**5,965**	**3,728**	**5,123**	**22,819**

[1] Nominal value.

Selected financial and operational data

TDC Group DKKm

TDC Group	H1 2014	H1 2013	2013	2012	2011	2010
Income Statements DKKm						
Revenue	11,443	12,087	23,986	25,472	25,606	25,496
Gross profit	8,462	8,759	17,431	18,154	18,811	19,077
EBITDA	**4,805**	**4,889**	**9,979**	**10,136**	**10,306**	**10,159**
Depreciation, amortisation and impairment losses	(2,280)	(2,385)	(4,932)	(4,960)	(5,112)	(5,239)
Operating profit (EBIT), excluding special items	**2,525**	**2,504**	**5,047**	**5,176**	**5,194**	**4,920**
Special items	(243)	(416)	(932)	(738)	(847)	(1,361)
Operating profit (EBIT)	**2,282**	**2,088**	**4,115**	**4,438**	**4,347**	**3,559**
Profit from joint ventures and associates	(6)	8	2	762	(29)	9
Interest income and expenses	(466)	(506)	(1,021)	(1,111)	(1,304)	(1,590)
Currency translation adjustments	30	3	7	(51)	52	(20)
Fair value adjustments	(144)	(5)	63	(64)	374	115
Interest on pension assets	117	133	266	346	377	385
Profit before income taxes	**1,813**	**1,721**	**3,432**	**4,320**	**3,817**	**2,458**
Income taxes	(472)	(20)	(354)	(629)	(1,096)	(780)
Profit for the period from continuing operations	**1,341**	**1,701**	**3,078**	**3,691**	**2,721**	**1,678**
Profit for the period from discontinued operations[1]	774	32	41	93	31	1,280
Profit for the period	**2,115**	**1,733**	**3,119**	**3,784**	**2,752**	**2,958**
Attributable to:						
Owners of the Parent Company	2,117	1,733	3,119	3,784	2,752	2,958
Minority interests	(2)	-	-	-	-	-
Profit for the period, excluding special items						
Operating profit (EBIT)	**2,525**	**2,504**	**5,047**	**5,176**	**5,194**	**4,920**
Profit from joint ventures and associates	(6)	8	2	2	(29)	(1)
Interest income and expenses	(466)	(506)	(1,021)	(1,111)	(1,304)	(1,590)
Currency translation adjustments	30	3	7	(51)	52	(20)
Fair value adjustments	(144)	(5)	63	(64)	374	115
Interest on pension assets	117	133	266	346	377	385
Profit before income taxes	**2,056**	**2,137**	**4,364**	**4,298**	**4,664**	**3,809**
Income taxes	(530)	(135)	(598)	(954)	(1,275)	(1,033)
Profit for the period from continuing operations	**1,526**	**2,002**	**3,766**	**3,344**	**3,389**	**2,776**
Profit for the period from discontinued operations[1]	22	32	14	104	53	476
Profit for the period	**1,548**	**2,034**	**3,780**	**3,448**	**3,442**	**3,252**

Selected financial and operational data

TDC Group

		H1 2014	H1 2013	2013	2012	2011	2010
Balance Sheets	DKKbn						
Total assets		58.5	61.5	60.4	63.5	65.2	64.8
Net interest-bearing debt		(21.0)	(22.4)	(21.7)	(21.9)	(21.0)	(22.6)
Total equity		19.5	21.3	20.4	21.5	22.2	20.9
Average number of shares outstanding (million)		800.2	798.9	798.9	802.3	816.7	981.8
Statements of Cash Flow	DKKm						
Continuing operations:							
Operating activities		3,294	3,054	7,058	6,720	6,972	6,990
Investing activities		(1,998)	(1,739)	(3,929)	(2,862)	(3,546)	(3,792)
Financing activities		(1,788)	(1,869)	(3,102)	(4,448)	(2,815)	(20,089)
Total cash flow from continuing operations		**(492)**	**(554)**	**27**	**(590)**	**611**	**(16,891)**
Total cash flow in discontinued operations[1]		1,131	12	172	74	47	16,959
Total cash flow		**639**	**(542)**	**199**	**(516)**	**658**	**68**
Equity free cash flow		1,456	1,273	3,302	3,128	3,494	3,280
Capital expenditure		(1,820)	(1,716)	(3,606)	(3,406)	(3,344)	(3,471)
Key financial ratios							
Earnings Per Share (EPS)	DKK	2.65	2.17	3.90	4.72	3.37	3.01
EPS from continuing operations, excl. special items	DKK	1.91	2.51	4.71	4.17	4.15	2.83
Adjusted EPS	DKK	2.34	2.63	5.53	5.40	5.53	4.11
DPS	DKK	-	-	3.70	4.60	4.35	-
Dividend pay-out (% of EFCF)	%	-	-	89.3	118.3	99.1	-
Gross profit margin	%	73.9	72.5	72.7	71.3	73.5	74.8
EBITDA margin	%	42.0	40.4	41.6	39.8	40.2	39.8
Net interest-bearing debt/EBITDA	x	2.1	2.2	2.1	2.1	2.0	2.2
Employees[2]							
Number of FTEs (end-of-year)		8,582	8,795	8,587	8,885	9,551	10,161
Average number of FTEs		8,587	8,857	8,752	9,082	9,842	10,595

[1]TDC Finland (divested in 2014) and Sunrise (divested in 2010) is presented as discontinued operations. Other divestments are included in the respective accounting items during the ownership.
[2]From Q1 2012, Danish civil servants seconded to external parties are excluded from the calculation of FTEs. At EOP 2011, 156 seconded civil servants were included in the FTE figures.

Corporate matters

Risk factors

TDC's Annual Report at 4 February 2014 describes certain risks that could materially and adversely affect TDC's business, financial condition, results of operations and/or cash flows. At the end of H1 2014, TDC expects no significant changes in the risks.

Forward-looking statements

This Report may include statements about TDC's expectations, beliefs, plans, objectives, assumptions or future events or performance that are not historical facts and may be forward-looking. These statements are often, but not always, formulated using words or phrases such as "are likely to result", "are expected to", "will continue", "believe", "is anticipated", "estimated", "intends", "expects", "plans", "seeks", "projection" and "outlook" or similar expressions or negatives thereof. These statements involve known and unknown risks, estimates, assumptions and uncertainties that could cause actual results, performance or achievements or industry results to differ materially from those expressed or implied by such forward-looking statements.

Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this financial report. Key factors that may have a direct bearing on TDC's results include: the competitive environment and the industry in which TDC operates; contractual obligations in TDC's financing arrangements; developments in competition within the domestic and international communications industry; information technology and operational risks including TDC's responses to change and new technologies; introduction of and demand for new services and products; developments in demand, product mix and prices in the mobile and multimedia services market; research regarding the impact of mobile phones on health; changes in applicable legislation, including but not limited to tax and telecommunications legislation and anti-terror measures; decisions made by the Danish Business Authority; the possibility of being awarded licences; increased interest rates; the status of important intellectual property rights; exchange-rate fluctuations; global and local economic conditions; investments in and divestment of domestic and foreign companies; and supplier relationships.

As the risk factors referred to in this Report could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made in this Report, undue reliance is not to be placed on any of these forward-looking statements. New factors will emerge in the future that TDC cannot predict. In addition, TDC cannot assess the impact of each factor on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statements.

Management Statement

Management Statement

Today, the Board of Directors and the Executive Committee considered and approved the Interim Financial Report of TDC Group for H1 2014.

The Interim Report, which has neither been audited nor reviewed by the Group's auditor, has been prepared in accordance with IAS 34, Interim Financial Reporting, and additional Danish disclosure requirements for listed companies.

In our opinion, the Interim Financial Report provides a true and fair view of the Group's assets, liabilities and financial position at 30 June 2014 as well as the results of operations and cash flows for H1 2014. Furthermore, in our opinion, the Management's Review provides a fair review of the developments in the Group's activities and financial position, and describes the significant risks and uncertainties that may affect the Group.

Copenhagen, 7 August 2014

Executive Committee

Carsten Dilling
President and Group Chief Executive Officer

Pernille Erenbjerg
Senior Executive Vice President and Group Chief Financial Officer

Johan Kirstein Brammer
Senior Executive Vice President of TDC Consumer and Group Chief Marketing Officer

Peter Trier Schleidt
Senior Executive Vice President of TDC Operations and Group Chief Operating Officer

Jens Munch-Hansen
Senior Executive Vice President of TDC Business

Asger Hattel
Senior Executive Vice President of TDC Wholesale and TDC Nordic

Jens Aaløse
Senior Executive Vice President of TDC Channels

Miriam Igelsø Hvidt
Senior Executive Vice President of TDC HR and Stakeholder Relations

Board of Directors

Vagn Sørensen
Chairman

Pierre Danon
Vice Chairman

Stine Bosse

Pieter Knook

Angus Porter

Søren Thorup Sørensen

Jan Bardino

Christian A. Christensen

Steen M. Jacobsen

John Schwartzbach

Gert Winkelmann

About TDC

TDC is the leading provider of communications services in Denmark with a strong Nordic focus. TDC comprises the business units Consumer, Business, Wholesale and Nordic and the three cost-centre units Operations, Channels and Headquarters.

TDC A/S
Teglholmsgade 1
DK-0900 Copenhagen C

tdc.com

For more information, please contact Flemming Jacobsen, Head of TDC Investor Relations, on +45 6663 7680 or investorrelations@tdc.dk.

Listing

Shares: NASDAQ OMX Copenhagen.
Reuters TDC.CO.
Bloomberg TDC DC.
Nominal value DKK 1.
ISIN DK0060228559.

Bloomberg TDC DC.
Nominal value DKK 1.
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