CEO comments and highlights

Organic EBITDA and cash flow growth in Q3

Q3 has been eventful and important for TDC Group, with major launches, acquisitions, insourcing and public tender decisions.

YouSee launched a new loyalty programme, YouSee More, giving customers flexible benefits depending on how many of our products they retain. We expect this programme to increase product holdings within the households, increase customer loyalty and reduce churn. YouSee also announced a new TV portfolio, positioning YouSee as both content aggregator and provider, with exclusive content for our customers and increased flexibility in the TV packages to integrate flow TV and OTT streaming. With YouSee's new TV portfolio we are aligning our TV offerings in Denmark and Norway.

With the acquisition of the successful MVNO Plenti, TDC added 83k Consumer mobile customers, characterised by their high entertainment consumption. As these customers migrate to TDC's network we will achieve synergies in early 2018 at the latest.

Roam Like at Home was fully implemented in the EU before summer. As data consumption increased as expected in Q3, we are maintaining the expected financial effect from regulation at DKK 150m for 2017, incl. spill-over effects in H1 from 2016 regulation. We succeeded in mitigating some effects via price increases for Consumer brands and negotiating lower wholesale costs than those fixed by regulation.

YouSee invested further in its customer experience by insourcing the call-centre function Support & Billing to secure full control of the entire customer journey to make being a customer with TDC Group simpler and better.

After the end of Q3, TDC Business was awarded a large public tender agreement as of 1 January 2018. With this contract, TDC will continue to supply e.g. mobile telephony and data services to most of the local authorities in Denmark, while also supplying the same services to the central government for the next 2-4 years. Another important, positive sign for TDC is that we have secured the contract on better terms and prices than the current contract. We expect a positive EBITDA effect compared with 2017 depending on the speed of customer migration.

Overall, our financial performance in Q3 continued the trends of the past quarters. EBITDA fell by 3.0% YoY, but was negatively impacted by regulation effects from roaming and the divestment of TDC Hosting in early 2017. Adjusted for this, our organic EBITDA grew 0.5% YoY – after several years of decline. The growth was driven mainly by both higher ARPU for mobile customers in our Consumer division, and our efficiency measures seriously paying off in Q3 with costs reduced by 8.0% YoY. As in the previous three quarters, our cash flow grew, this time by 10.6% driven e.g. by a different timing of net working capital compared with 2016. We are maintaining our full-year expectations for EBITDA, EFCF and DPS.

Pernille Erenbjerg, Group CEO and President

Q3 highlights

- Reported EBITDA decline of 3.0% YoY affected by roaming regulation, divestments and acquisitions; **organic EBITDA growth** of 0.5% YoY in Q3, a significant improvement compared with recent years and driven mainly by growth in mobility services and opex savings
- **Increase of 10.6% in EFCF** in Q3 YoY driven primarily by different timing of net working capital
- **Significant organic opex improvement** in Q3 (8.0%); expected 2017 organic opex savings of DKK ~300m on track (YTD DKK 234m)
- TDC Business awarded **a large public tender agreement** covering most of local authorities in Denmark and the central government, full financial effect not expected before 2019
- Mobile voice **ARPU increase of DKK 5 (4%)** in Consumer YoY; **outbound data roaming traffic** increased by ~600% in Q3 YoY
- Loss of 18k TV customers in Denmark and 2k in Norway vs. Q2; **'The next chapter of YouSee TV'** announced to improve our offerings with exclusive content and streaming services included in flexible TV packages
- Launch of **loyalty programme 'YouSee More'** to increase product holdings within households and reduce churn
- **Calls to support & billing** reduced by 25.4% YoY and remained level with Q2
- **Insourcing of YouSee support call centre** with take-over of ~700 FTEs as of 1 December; the full customer service value chain is now anchored in TDC Group to make it simpler and better to be a customer in TDC Group
- Acquisition of the Danish mobile company **Plenti** (83k mobile voice and mobile broadband customers) at an equity value of DKK 74m
- **2017 guidance** reaffirmed on all parameters; EBITDA > DKK 8.2bn; EFCF: stable or moderate growth; DPS: DKK 1.05; as announced on 6 February 2017

Group performance

Strategic ambitions

TDC Group's 2018 strategy aims at two main goals: to deliver best-in-class customer satisfaction and provide the best cash flow. Fulfilling these ambitions will be the key driver for success in the years ahead.

Customer satisfaction

Best-in-class customer satisfaction is measured by the KPI recommend score. This score reflects customers' willingness to recommend TDC Group's B2C and B2B services[1].

TDC Group's recommend score was 64 in Q3 2017, level with Q2 2017. This score has been improved by a new identity and visual universe in Fullrate, and various events in YouSee, such as a large concert with popular Danish artists, that have contributed positively to the recommend score. Processes in Business also improved in Q3 contributing positively to the recommend score. However, this was offset by price increases in our online brands due to the new roaming regulation and long answering times during the summer in Support & Billing due to higher than expected employee churn. To manage the situation, we therefore added ~100 new call centre employees during the summer. Share of positive customer experiences and negative customer experiences[2] improved in Q3 vs. Q2 mainly driven by improvements in Business, YouSee shops and technicians in both Get and YouSee.

Our high focus on improving our customer experience continues, supported by different initiatives. One was the launch of the loyalty programme 'YouSee More' in Q3, which provides customers with a minimum of two products with different benefits such as access to premiere films, e-books and magazines. Another initiative was the insourcing of YouSee's call centre, where the full customer service value chain is now anchored in TDC Group, to make being a customer in TDC Group simpler and better.

Equity free cash flow

In Q1-Q3 2017, the increase of DKK 268m in equity free cash flow was driven by a different timing of net working capital (DKK 225m) and by reduced interest payments[3] (DKK 148m) following the repurchase of bonds at the end of 2016. Cash flow related to special items also contributed positively (DKK 95m), due mainly to compensation from the Danish State for the costs of providing a maritime distress and safety service in Denmark in 2010-2012 (DKK 54m). Finally, the EFCF growth was positively affected by a different timing of income tax paid (DKK 58m). The positive contributions were partly offset by an EBITDA decline of DKK 145m and a different timing of cash flow related to capex[4] (DKK -88m).

1 Recommend score is TDC Group's variant of the Net Promoter Score
2 Measured on a scale from 1-10, the score of 1-5 is rated as a negative experience and a score of 9-10 is rated as a positive experience.

3 Including coupon payments on hybrid capital.
4 Cash flow related to capex includes adjustments to capex for timing differences regarding mobile license payments, reestablishment obligation, non-paid investments, etc.

TDC Group, key figures[1]

DKKm

		Q3 2017	Q3 2016	Change in %	Q1-Q3 2017	Q1-Q3 2016	Change in %
Income statements	DKKm						
Revenue		4,962	5,235	(5.2)	15,224	15,616	(2.5)
Gross profit		3,712	3,939	(5.8)	11,339	11,734	(3.4)
EBITDA		2,100	2,165	(3.0)	6,285	6,430	(2.3)
Organic revenue²		4,962	5,136	(3.4)	15,224	15,535	(2.0)
Organic gross profit²		3,712	3,841	(3.4)	11,339	11,612	(2.4)
Organic EBITDA²		2,100	2,089	0.5	6,285	6,325	(0.6)
Profit for the period from continuing operations excluding special items		531	745	(28.7)	1,481	2,053	(27.9)
Profit for the period		413	773	(46.6)	1,465	1,962	(25.3)
Total comprehensive income		508	1,006	(49.5)	1,504	2,099	(28.3)
Capital expenditure		(981)	(940)	(4.4)	(3,093)	(2,964)	(4.4)
Equity free cash flow (EFCF)		760	687	10.6	1,934	1,666	16.1
Key financial ratios							
Earnings Per Share (EPS)	DKK	0.51	0.97	(47.4)	1.62	2.24	(27.7)
Adjusted EPS	DKK	0.77	1.05	(26.7)	2.18	2.94	(25.9)
Gross margin	%	74.8	75.2	-	74.5	75.1	-
EBITDA margin	%	42.3	41.4	-	41.3	41.2	-
Customer satisfaction							
Recommend score	YTD avg. index	64	65	-	64	65	-

1 For additional data, see TDC Fact Sheet on www.tdcgroup.com/en/investor-relations/financial-reports.
2 Reported revenue and gross profit excluding the impact from foreign exchange rates, regulatory price adjustments as well as the impact from acquisitions and divestments.

YTD financial performance

Revenue

Q1-Q3 2017, TDC Group's reported revenue decreased by 2.5% or DKK 392m to DKK 15,224m, including net effects from foreign exchange rates, regulation and divestments /acquisitions. Organic revenue development (-2.0%) was in line with the reported decline. The development in organic revenue reflects growth in mobility services in Denmark and TV in Norway that was more than offset by decline in Denmark driven by landline voice, TV and other services (paper communication fees, operator services and integrator services with limited gross profit effect). However, the reported revenue development was an improvement compared with the same period last year (-4.7% in Q1-Q3 2016).

Cash flow and NIBD, key figures

DKKm

		Q3 2017	Q3 2016	Change in %	Q1-Q3 2017	Q1-Q3 2016	Change in %
Cash flow from operating activities		1,850	1,723	7.4	5,325	4,980	6.9
Investment in property, plant and equipment		(710)	(762)	6.8	(2,284)	(2,345)	2.6
Investment in intangible assets		(353)	(239)	(47.7)	(848)	(699)	(21.3)
Finance lease repayments		(27)	(35)	22.9	(64)	(74)	13.5
Coupon payments on hybrid capital		-	-	-	(195)	(196)	0.5
Equity free cash flow		**760**	**687**	**10.6**	**1,934**	**1,666**	**16.1**
Total cash flow from operating activities		1,850	1,723	7.4	5,325	4,980	6.9
Total cash flow from investing activities		(1,134)	(997)	(13.7)	(2,702)	(3,126)	13.6
Total cash flow from financing activities		(1,862)	(30)	-	(2,896)	(268)	-
Total cash flow from continuing operations		(1,146)	696	-	(273)	1,586	(117.2)
Total cash flow from discontinued operations		0	41	-	6	15	(60.0)
Total cash flow		**(1,146)**	**737**	**-**	**(267)**	**1,601**	**(116.7)**
Net interest-bearing debt (NIBD)		(20,492)	(24,409)	16.0	(20,492)	(24,409)	16.0
Adjusted NIBD		(23,268)	(27,185)	14.4	(23,268)	(27,185)	14.4
Net interest-bearing debt/EBITDA	x	2.5	2.8	-	2.5	2.8	-
Adjusted NIBD/EBITDA	x	2.8	3.1	-	2.8	3.1	-

Gross profit

TDC Group's reported gross profit decreased by 3.4% or DKK 395m to DKK 11,339m in Q1-Q3 2017. Organic gross profit declined by 2.4% or DKK 273m, driven by landline voice, internet & network, TV and other services in Denmark, which outweighed growth in Norway and growth in mobility services in Denmark, especially in our Consumer division where ARPU has increased. This development is an improvement compared with Q1-Q3 2016, reflecting the improved revenue development. The gross profit margin decreased from 75.1% in Q1-Q3 2016 to 74.5% in Q1-Q3 2017, yet remained level with the full-year 2016 gross profit margin.

Operational expenditure[1]

Reported operational expenditure decreased by 4.7% or DKK 250m to DKK 5,054m YTD, including net effects from foreign exchange rates and divestments/acquisitions. Organic operational expenditure decreased by 4.4% or DKK 234m, driven by cost savings from renegotiation of supplier contracts, reduced calls to Customer Support & Billing (-16.3% YoY), lower marketing spending because of the TDC and YouSee brand merger, and organic FTE reductions of 426 FTEs YTD driven by Consumer, Other operations and Norway.

EBITDA

Reported EBITDA decreased by 2.3% or DKK 145m to DKK 6,285m in Q1-Q3 2017, including net effects from foreign exchange rates, regulation and divestments /acquisitions. Organic EBITDA decreased by 0.6% or DKK 40m, consisting of a DKK 89m decline in Denmark and a DKK 49m increase in Norway. This represents a significant improvement compared with the organic EBITDA decline of 7.9% in Q1-Q3 2016, and Q3 2017 is the first quarter with positive organic EBITDA growth since Q1 2014 (+0.5%).

1 Including other income.

Profit for the period

Excluding discontinued operations and special items, profit for the period decreased by 27.9% or DKK 572m reflecting higher amortisation and depreciation (DKK 258m) driven by the upgrading of the cable network to enable 1 gigabit broadband as well as a negative development in currency translation adjustments of intercompany loans denominated in NOK (DKK 327m). Profit for the period (including discontinued operations and special items) decreased by DKK 497m, and was positively impacted by the gain from divesting TDC Hosting in March 2017 (DKK 137m).

Comprehensive income

Total comprehensive income decreased by DKK 595m. In addition to the decrease in profit for the period (DKK 497m), other comprehensive income decreased by DKK 98m. The DKK 98m decrease in other comprehensive income related primarily to a negative development in exchange rate adjustments of foreign enterprises of DKK 936m (primarily in Norway) almost offset by a positive development on defined benefit plans for Danish employees (DKK 900m after tax). The gain in Q1-Q3 2017 and loss in Q1-Q3 2016 related to defined benefit plans resulted primarily from the development in the discount rate and inflation rate impacting the pension obligation partly offset by a loss related to the plan assets (a gain in Q1-Q3 2016)[2].

2 For further information see note 6 Pension assets and pension obligations.

Capital expenditure

In Q1-Q3 2017, capital expenditure totalled DKK 3,093m, an increase of 4.4% or DKK 129m that was driven by the upgrading of the cable network to enable 1 gigabit broadband speeds for half of all Danish households. The launch of YouSee's TV set-top box in Q2 2016 and focus on providing TV and broadband services via the optimal infrastructure has resulted in more investments in customer installations on the cable network. This was partly offset by fewer investments in customer installations on the xDSL network. TDC Group is continuing to invest in IT development to support a simplified digital operating model and investing in the Danish mobile network to ensure that TDC Group retains a best-in-class mobile network.

Net interest-bearing debt

Both net interest-bearing debt and adjusted net interest-bearing debt fell by DKK 1.641m during Q1-Q3 2017 following the net cash flows from operating and investing activities including the proceeds[1] from divesting TDC Hosting (DKK 491m) partly offset by the payment of dividend (DKK 802m).

Guidance 2017

TDC Group confirms its full-year guidance presented below, which was updated on 6 February 2017 after the announcement of the divestment of TDC Hosting.

The guidance for 2017 is based on comprehensive financial plans for each individual business line. However, by their very nature, forward-looking statements involve certain risks and uncertainties. These risks and uncertainties are described in more detail in the section on Guidance and risk factors and in the Disclaimer in TDC Group's Annual Report.

Recent trends related to TDC Group's financial performance:

- Loss of TV customers experienced since Q1 2017 will have a negative quarterly run rate YoY gross profit impact of >DKK 30m
- The acquisition of Plenti will lead to synergies as the customers migrate to TDC's network during 2018. For Q4 2017 we expect a negative EBTIDA impact of DKK 20m
- EU roaming regulation will impact negatively YoY from until and including Q2 2018 of approximately DKK 30m per quarter. 2018 impact of approximately DKK 60m
- TDC Business has successfully won a large public contract, the so-called SKI agreement as of 1 January 2018. Full financial effect not expected before 2019
- Additional costs as a result of insourcing of customer support to invest in a better customer experience
- Impact from efficiency measures building up. Full-year 2017 organic opex reduction target of approximately DKK 300m (DKK 234m YTD). Efforts to identify and implement further sound efficiency measures are ongoing
- 2017 EBITDA growth rates in Norway positively affected by one-offs in Norway. Underlying growth rates have been decreasing as competition and content costs have increased
- Negative YoY impact of up to DKK 25m per quarter from TDC Hosting disposal until and including Q1 2018

2017 guidance status

	2017 guidance[2]	YTD performance	Status
EBITDA	>DKK 8.2bn	DKK 6.3bn	On track
EFCF	Stable or moderate growth	16.1% YoY (DKK 1.9bn)	On track
DPS[1]	DKK 1.05	-	Supported by EFCF YTD

1 To be paid out in Q1 2018.
2 Guidance numbers are post sale of TDC Hosting as announced as of 6 February 2017.

1 After adjustment for cash and debt as well as transaction costs.

TDC Group's performance per business line in Q1-Q3 2017

The illustration below reflects TDC Group's Q1-Q3 2017 performance based on our traditional business line reporting. Costs in Denmark are not allocated, but are included in the business line responsible for the service, cf. segment note 2.1. The Q1-Q3 2017 performance of each business line is described on the following pages.

DKKm/ Growth in local currency	TDC Group	Consumer	Business	Wholesale	Other operations	Denmark in total	Get (B2C)	TDC Norway (B2B)	Norway In total
Revenue[1]	15,224	7,875	3,405	1,320	361	12,867	1,952	493	2,441
	-2.5%	-2.5%	-11.1%	+2.6%	-3.5%	-4.0%	+10.8%	-13.8%	+4.6%
Gross profit[1]	11,339	5,938	2,714	873	243	9,711	1,448	180	1,628
	-3.4%	-2.9%	-11.5%	+3.8%	-2.0%	-4.4%	+3.0%	-5.5%	+2.0%
EBITDA[1]	6,285	4,632	1,970	787	- 2,162	5,224	995	66	1,061
	-2.3%	-1.5%	-11.4%	9.3%	+2.2%	-3.8%	+7.3%	-21.9%	+4.9%

1 Both absolute figures and growth rates are excluding eliminations and therefore do not amount to 100%.

Consumer in Denmark

Q3 highlights

- Launch of loyalty programme 'YouSee More' to improve our customer experience
- Fullrate brand re-position with focus on 'Experts' rather than being a no-frills brand
- Acquisition of the Danish mobile company Plenti (83k mobile voice and mobile broadband customers) at an equity value of DKK 74m
- Insourcing of the YouSee call centre with take-over of ~700 FTEs as of 1 December
- Loss of 18k TV customers in Denmark vs. Q2; 'The next chapter of YouSee TV' announced to improve our value proposition with exclusive content and streaming services included in TV packages
- Reduced churn across main products compared with Q2 except mobile voice (due to price increase); however, gross add levels on all main products are under pressure
- Mobile voice ARPU increase of DKK 5 (4%) in Consumer YoY despite roaming regulation
- Improved call centre performance with fewer calls to Support & Billing, down by 25.4% YoY

YTD performance

In Q1-Q3 2017, Consumer's EBITDA decreased by 1.5% or DKK 71m to DKK 4,632m. This was a significant improvement compared with the EBITDA loss of 6.8% in 2016. Gross profit decreased by 2.9% driven mainly by a continued decline in landline voice and other services as well as a decline in TV that was partly offset by growth in mobility services. Opex improved by 7.7% triggered by reduced call levels, reduced sales costs, lower marketing spending following the TDC and YouSee brand merger and deconsolidation of Bet25.

Consumer, key figures DKKm

		Q3 2017	Q3 2016	Change in %	Q1-Q3 2017	Q1-Q3 2016	Change in %
Revenue	DKKm	**2,593**	**2,701**	**(4.0)**	**7,875**	**8,073**	**(2.5)**
Mobility services		729	700	4.1	2,122	2,042	3.9
TV		1,022	1,060	(3.6)	3,121	3,195	(2.3)
Internet & network		601	612	(1.8)	1,806	1,839	(1.8)
Landline voice		171	204	(16.2)	535	645	(17.1)
Other services		70	125	(44.0)	291	352	(17.3)
Gross profit		**1,968**	**2,043**	**(3.7)**	**5,938**	**6,118**	**(2.9)**
EBITDA		**1,553**	**1,590**	**(2.3)**	**4,632**	**4,703**	**(1.5)**
Gross margin	%	75.9	75.6	-	75.4	75.8	-
EBITDA margin	%	59.9	58.9	-	58.8	58.3	-
Number of FTEs (end-of-period)[1]	#	1,994	2,118	(5.9)	1,994	2,118	(5.9)

1 Consumer finance with 38 FTEs moved to Other operations in Q2 2017.

Mobility services

In Q1-Q3 2017, mobility services delivered reported revenue growth of 3.9%. The positive development was driven by increased mobile voice ARPU and by growth in mobile broadband. Mobile voice ARPU increased by DKK 4 YoY. This stemmed from price initiatives and an improved product mix with migration towards subscriptions with more content included, partly offset by lower ARPU on traffic as more content was included in subscriptions, e.g. EU-roaming. The mobile voice customer base increased by 42k YoY driven by the acquisition of Plenti, partly offset by low gross adds in this price-competitive market. Adjusted for Plenti, which does not yet have financial impact, the customer base decreased by 38k YoY.

TV

Reported revenue from TV decreased by 2.3% or DKK 74m to DKK 3,121m in Q1-Q3 2017. This development was due to sustained cord-cutting with a 70k YoY or 5% decline in the customer base, almost in line with the market development. TV ARPU increased by 0.8% or DKK 2 YoY driven by growth in transactional TVoD (Blockbuster) whereas subscription ARPU remained stable as price increases were offset by customers migrating to cheaper price plans.

Internet & network

Reported revenue from internet & network decreased by 1.8% or DKK 33m to DKK 1,806m in Q1-Q3 2017. This was caused by a 22k YoY decline in the customer base as the loss of low-speed xDSL subscribers was only partly offset by growth in the high-speed cable customer base. The customer development was affected by price-aggressive competitors and the loss of a large MDU (6k). Broadband ARPU remained level YoY.

Landline voice

In Q1-Q3 2017, reported revenue from landline voice decreased by 17.1% caused by fewer subscribers with lower ARPU. However, the churn rate in Q3 2017 was at its lowest level in more than 5 years. The customer base decreased by 13.8% or 71k YoY. ARPU decreased by DKK 4 stemming from migrations to cheaper (flat-rate) price plans.

Other services

Revenue from other services decreased by 17.3% or DKK 61m to DKK 291m in Q1-Q3 2017. This was due to decreasing effects from paper communication fees and deconsolidation of Bet25, which was partly offset by increased sales of low-margin mobile handsets.

Business in Denmark

Q3 highlights

- EBITDA decrease of 13.0% YoY or DKK 96m due to continued decline across products; underlying EBITDA[1] decreased 7.3% YoY
- TDC Business awarded a large public tender agreement covering most of local authorities in Denmark and the central government, full financial effect not expected before 2019
- Second quarter without TDC Hosting in reported figures; TDC Hosting contributed with EBITDA of DKK 22m in Q3 2016
- Reorganisation announced in Business; dividing Solution House in Cloud Solutions and NetDesign, refocusing sales and clarifying NetDesign's position as an integrator business

YTD performance

Business' financial performance YTD continued to decline with an EBITDA loss of 11.4% or DKK 253m to DKK 1,970m, driven by continued intense competition across segments and products. The 11.4% decline in EBITDA in Q1-Q3 2017 was an improvement compared with the decrease of 15.2% in Q1-Q3 2016.

Q3 2017 was the second quarter without TDC Hosting in reported figures and the YTD EBITDA decline in 2017 was affected by the divestment.

Business, key figures

DKKm

		Q3 2017	Q3 2016	Change in %	Q1-Q3 2017	Q1-Q3 2016	Change in %
Revenue	DKKm	**1,055**	**1,261**	**(16.3)**	**3,405**	**3,829**	**(11.1)**
Mobility services		284	308	(7.8)	882	937	(5.9)
Internet & network		343	456	(24.8)	1,130	1,367	(17.3)
Landline voice		180	207	(13.0)	575	653	(11.9)
Other services		248	290	(14.5)	818	872	(6.2)
Gross profit		**860**	**1,014**	**(15.2)**	**2,714**	**3,065**	**(11.5)**
EBITDA		**645**	**741**	**(13.0)**	**1,970**	**2,223**	**(11.4)**
Gross margin	%	81.5	80.4	-	79.7	80.0	-
EBITDA margin	%	61.1	58.8	-	57.9	58.1	-
Number of FTEs (end-of-period)[1 2]	#	1,099	1,373	(20.0)	1,099	1,373	(20.0)

1 Divestment of TDC Hosting with 294 FTEs as from Q2 2017.
2 Business finance with 22 FTEs moved to Other operations in Q2 2017.

However, underlying EBITDA[1] decreased by 7.8% in Q1-Q3 2017, showing a continued underlying improvement in Business.

Mobility services

Reported revenue from mobility services declined by 5.9% or DKK 55m to DKK 882m in Q1-Q3 2017, which is an improvement compared with the 11.9% decrease in Q1-Q3 2016. The revenue development stemmed from a decline of DKK 9 in ARPU YoY due to EU roaming, which has been included in the portfolios since early 2017 as a result of continued intense competition and new regulation as of June. The decline in ARPU was an improvement compared with the DKK 17 decline in Q1-Q3 2016.

The mobile voice customer base decreased by 12k YoY, however, all in all, 2017 has seen positive net adds.

Internet & network

Reported revenue from internet & network decreased by 17.3% or DKK 237m to DKK 1,130m. This was driven mainly by the divestment of TDC Hosting (DKK 187m) and from transferring the alarm network business area from TDC Business to Other operations from Q3 2016.

Fibre experienced a small decline in the customer base YoY (2k) and an increase in ARPU. In a very competitive market, this continues to put pressure on Business' market share in a growing market. Several initiatives are in place to develop a more competitive fibre product.

Revenue from broadband was affected mainly by a declining customer base with a net loss of 25k customers YoY across segments, although this was offset by a DKK 10 increase in ARPU caused by the large business segment. Business has launched several initiatives to protect revenue by converting customers to higher speeds and changing access technology to fibre and cable.

Landline voice

In Q1-Q3 2017, reported revenue from landline voice decreased by 11.9% or DKK 78m to DKK 575m. This decline stemmed from a DKK 13 decrease in ARPU YoY as well as a 26k YoY reduction in the customer base. This aligns with the overall expectation of a declining market for landline voice.

Other services

Reported revenue from other services decreased by 6.2% or DKK 54m to DKK 818m in Q1-Q3 2017. This decrease was due mainly to a 9% or DKK 54m decline in NetDesign's revenue to DKK 546m, which was driven by lower sales of hardware and software as well as consultancy services due to market pressure. However, this was partly offset by higher sales of mobile handsets.

1 Adjusted for acquisition, divestments, movements between business lines and roaming regulation.

Wholesale in Denmark

Q3 highlights

- EBITDA YoY growth in Q3 of 12.4% driven by gross profit as well as opex savings from renegotiated supplier agreement and FTE reductions
- Positive Q3 YoY gross profit development of 7.5% generated by all products
- Increase of 5k wholesale customers for the full broadband product vs. Q2 2017, but offset by broadband access customers (ULL)
- Small YoY revenue development in Q3 from inbound roaming as higher data volumes were only partly offset by lower prices

YTD performance

In Q1-Q3 2017, Wholesale reported strong EBITDA growth of 9.3% or DKK 67m to DKK 787m. This stemmed from gross profit growth in especially landline voice and internet & network as well as opex savings. The latter was positively affected by a renegotiated supplier agreement and FTE reductions.

Mobility services

Reported revenue from mobility services increased by 5.2% or DKK 21m to DKK 427m in Q1-Q3 2017. This was caused mainly by increased revenue from interconnect in Q1 2017 with limited gross profit impact. To a lesser extent, roaming also added to the revenue increase as a result of higher inbound data volumes that more than offset lower prices.

The mobile voice customer base increased by 17k YoY driven primarily by increased customer intake among existing wholesale customers, while ARPU increased slightly by DKK 1 YoY.

Internet & network

In Q1-Q3 2017, reported revenue from internet & network increased by 6.7% or DKK 37m to DKK 591m prompted by both broadband and capacity.

The increase in total broadband revenue resulted from a 5k increase in the total broadband customer base triggered by a number of new wholesale customers for the full broadband product (21k). This more than offset a reduction of broadband access customers (ULL). The change in customer mix also had a positive impact on revenue as full broadband product ARPU exceeds ARPU from the simpler broadband access products (ULL).

The increase in capacity was positively affected by calendarisation with limited gross profit effect.

Landline voice

Reported revenue from landline voice decreased by 18.0% or DKK 34m to DKK 155m in Q1-Q3 2017, stemming primarily from decreases in service provider customers and inbound interconnect.

The 16k decrease in service provider customers was due to the continuous decline in the overall landline voice market.

Reported gross profit from landline voice was positively affected by a one-off of DKK 15m on transmission costs in Q1 2017.

Wholesale, key figures

DKKm

		Q3 2017	Q3 2016	Change in %	Q1-Q3 2017	Q1-Q3 2016	Change in %
Revenue	DKKm	**447**	**447**	**-**	**1,320**	**1,287**	**2.6**
Mobility services		150	155	(3.2)	427	406	5.2
Internet & network		196	186	5.4	591	554	6.7
Landline voice		50	62	(19.4)	155	189	(18.0)
Other services		51	44	15.9	147	138	6.5
Gross profit		**302**	**281**	**7.5**	**873**	**841**	**3.8**
EBITDA		**272**	**242**	**12.4**	**787**	**720**	**9.3**
Gross margin	%	67.6	62.9	-	66.1	65.3	-
EBITDA margin	%	60.9	54.1	-	59.6	55.9	-
Number of FTEs (end-of-period)	#	123	132	(6.8)	123	132	(6.8)

Other operations in Denmark

Q3 highlights

- EBITDA increased by 4.7% or DKK 35m in Q3 YoY
- Continued improvement of 5.7% YoY in fault-handling hours on customer premises in Q3 driven by improved productivity
- Field force transformation initiated, laying off 15% of field force management and additional 80 FTEs driven by expected lower fault-handling hours in 2018
- 14% of Danish households can now be offered 1 Gbps

YTD performance

Other operations consists of TDC Group's support functions such as IT, procurement, network, installation and Headquarters. In Q2 2017, all finance departments were moved to Headquarters bringing together all TDC Group's finance employees in Denmark as part of a larger optimisation process in finance.

In Q1-Q3 2017, EBITDA from Other operations increased by 2.2% or DKK 48m to DKK -2,162m reflecting an opex improvement of 2.2% or DKK 53m.

The improvement in operational expenditure stemmed from the effects of cost-saving initiatives executed in late 2016 and in 2017, including renegotiation of some service contracts as well as FTE reductions of 4.3% or 155 FTEs. FTE reductions were driven by process optimisations and productivity improvements. The positive development was partly outweighed by the movement of all finance departments to Headquarters in Q2 2017 (neutral at Group level) and expansion of Group security.

The FTE reductions from February 2017 (125 FTEs were laid off) will have full EBITDA effect in Q4 as the notice periods for the last employees come to an end.

Improved productivity in fault-handling was successfully achieved based on a continued high focus on optimising core processes and increasing efficiency. This led to a 7.9% reduction in fault-handling hours on customer premises. The improved productivity stems from initiatives regarding planning and dispatch and from intensive work on performance management.

Other operations, key figures

DKKm

		Q3 2017	Q3 2016	Change in %	Q1-Q3 2017	Q1-Q3 2016	Change in %
Revenue	DKKm	124	148	(16.2)	361	374	(3.5)
Gross profit		78	102	(23.5)	243	248	(2.0)
Opex		(780)	(839)	7.0	(2,405)	(2,458)	2.2
EBITDA		**(702)**	**(737)**	**4.7**	**(2,162)**	**(2,210)**	**2.2**
KPIs							
Fault-handling hours	Hours ('000)	**133**	**141**	**(5.7)**	**385**	**418**	**(7.9)**
Number of FTEs (end-of-period)[1]	#	3,473	3,627	(4.2)	3,473	3,627	(4.2)

1 Finance departments from Consumer (38 FTEs) and Business (22 FTEs) were moved to Other operations in Q2 2017.

Norway

Q3 highlights

- Norway EBITDA increased by 1.7% YoY, as opex savings in Get more than offset the YoY gross profit decline as a result of increased content cost and B2B decline
- 11% YoY increase in Get household ARPU
- 3k broadband net adds vs. Q2 and 9k YoY driven by increased broadband penetration
- Net loss of 2k TV RGUs vs. Q2 driven by competition and TV unbundling, however improved development after launch of new TV offering
- Successful broadband upsale summer campaign, lifting approximately 10% of the customer base to a higher speed
- Announcement of joint YouSee and Get content agreement with Viacom, giving TV customers access to new films from Paramount
- B2C mobile voice customer base ramping up resulting from inclusion of HBO in triple-play bundle, which has been well received by customers

YTD performance

In Q1-Q3 2017, reported EBITDA in Norway increased by 4.9% or NOK 62m. Adjusted for different one-offs in 2016 and 2017, and changed calendarisation of holiday pay[1], EBITDA increased by 2.9%. Get's EBITDA increased by 7.3% or NOK 84m resulting mainly from TV (including one-offs) and broadband gross profit as well as opex savings. TDC Norway (B2B) showed a reported EBITDA decline of 21.9% or NOK 23m YoY. This development was driven by both falling gross profit and increased opex spending.

Total opex in Norway decreased by NOK 23m YoY in Q1-Q3 2017. However, adjusting for the changed calendarisation of holiday pay[1] and a one-off in Q1 2016, opex declined by NOK 38m or 5.1%. This was driven by efficiency measures from increased digitisation, which enabled FTE savings. Other savings included outsourcing in both Get and TDC Norway and procurement optimisation. Savings were achieved despite investment in digitisation, increased marketing related to the new strengthened Get TV offering and extra costs in TDC Norway related to the separation from TDC Sweden.

TV

In Q1-Q3 2017, Get's reported revenue from TV increased by 16.1% or NOK 174m to NOK 1,256m of which NOK ~65m related to one-offs. The underlying improvement was achieved despite customer attrition (10k YoY) and was driven by price increases related to the new TV offering with streaming services, a new improved TV app and a new TV platform. Including effects from one-offs, ARPU increased by NOK 51 YoY in Q1-Q3 2017. The new TV offering has been well received by customers and will be further strengthened with inclusion of more content such as new films from Paramount and Norwegian films and documentaries.

The decline in Get's TV customer base resulted from intensified competition in both the MDU and SDU segments but also from unbundling of TV and broadband. Looking ahead, the competitive pressure is not expected to ease.

Residential broadband

Residential broadband showed a positive YoY development on all parameters. Revenue increased by 4.7% or NOK 38m driven by a 9k YoY increase in the customer base, which raised the broadband penetration by 3 percentage points. Broadband ARPU also increased by NOK 3 YoY driven by upsales to higher speeds and prices.

Business

In Q1-Q3 2017, reported revenue from Business decreased by 11.9% or NOK 92m to NOK 680m. The revenue decline stemmed from loss of low-margin customers and ARPU pressure. This revenue decline was affected by our changed business model with a focus on more streamlined business concepts that lead to healthier margins.

1 The change will not impact opex for the full-year 2017.

Norway, key figures

NOKm

		Q3 2017	Q3 2016	Change in %	Q1-Q3 2017[2]	Q1-Q3 2016[3]	Change in %
Revenue	NOKm	**994**	**946**	**5.1**	**3,031**	**2,894**	**4.7**
TV		405	360	12.5	1,256	1,082	16.1
Residential broadband		281	271	3.7	848	810	4.7
Business[1]		222	246	(9.8)	680	772	(11.9)
Other residential services		86	69	24.6	247	230	7.4
Gross profit		**646**	**657**	**(1.7)**	**2,021**	**1,982**	**2.0**
EBITDA		**419**	**412**	**1.7**	**1,318**	**1,256**	**4.9**
Gross margin	%	65.0	69.5	-	66.7	68.5	-
EBITDA margin	%	42.2	43.6	-	43.5	43.4	-
Number of FTEs (end-of-period)	#	744	858	(13.3)	744	858	(13.3)

1 Includes TDC Norway and Get's Business division.
2 TV revenue affected by one-offs of NOK ~30m in Q1 2017 and NOK ~35m in Q2 2017.
3 Q1 2016 positively affected by one-offs (revenue: NOK 13m and operational expenses: NOK 5m) related primarily to a settlement in a legal dispute over partner customers.

Consolidated financial statements

Income statement

DKKm

	Note	Q3 2017	Q3 2016	Change in %	Q1-Q3 2017	Q1-Q3 2016	Change in %
Revenue	2	**4,962**	**5,235**	**(5.2)**	**15,224**	**15,616**	**(2.5)**
Cost of sales		(1,250)	(1,296)	3.5	(3,885)	(3,882)	(0.1)
Gross profit		**3,712**	**3,939**	**(5.8)**	**11,339**	**11,734**	**(3.4)**
External expenses		(735)	(836)	12.1	(2,356)	(2,511)	6.2
Personnel expenses		(907)	(962)	5.7	(2,779)	(2,867)	3.1
Other income		30	24	25.0	81	74	9.5
Operating profit before depreciation, amortisation and special items (EBITDA)	2	**2,100**	**2,165**	**(3.0)**	**6,285**	**6,430**	**(2.3)**
Depreciation, amortisation and impairment losses	3	(1,316)	(1,222)	(7.7)	(3,835)	(3,577)	(7.2)
Operating profit excluding special items (EBIT excluding special items)		**784**	**943**	**(16.9)**	**2,450**	**2,853**	**(14.1)**
Special items	4	(169)	(56)	-	(92)	(213)	56.8
Operating profit (EBIT)		**615**	**887**	**(30.7)**	**2,358**	**2,640**	**(10.7)**
Financial income and expenses	5	(93)	(53)	(75.5)	(514)	(253)	(103.2)
Profit before income taxes		**522**	**834**	**(37.4)**	**1,844**	**2,387**	**(22.7)**
Income taxes		(123)	(133)	7.5	(405)	(502)	19.3
Profit for the period from continuing operations		**399**	**701**	**(43.1)**	**1,439**	**1,885**	**(23.7)**
Profit for the period from discontinued operations		14	72	(80.6)	26	77	(66.2)
Profit for the period		**413**	**773**	**(46.6)**	**1,465**	**1,962**	**(25.3)**
Profit attributable to:							
Owners of the parent company		413	773	(46.6)	1,301	1,793	(27.4)
Coupon payments on hybrid capital, net of tax		-	-	-	164	175	(6.3)
Non-controlling interests		-	-	-	-	(6)	-
EPS (DKK)							
Earnings per share, basic		0.51	0.97	(47.4)	1.62	2.24	(27.7)
Earnings per share, diluted		0.51	0.96	(46.9)	1.61	2.23	(27.8)
Adjusted EPS		0.77	1.05	(26.7)	2.18	2.94	(25.9)

Statement of comprehensive income

DKKm

	Note	Q3 2017	Q3 2016	Q1-Q3 2017	Q1-Q3 2016
Profit for the period		**413**	**773**	**1,465**	**1,962**
Items that may subsequently be reclassified to the income statement:					
Exchange-rate adjustments of foreign enterprises	5	128	324	(336)	600
Value adjustments of hedging instruments	5	(33)	5	(6)	56
Items that cannot subsequently be reclassified to the income statement:					
Remeasurement of defined benefit pension plans		1	(123)	489	(666)
Income tax relating to remeasurement of defined benefit pension plans		(1)	27	(108)	147
Other comprehensive income/(loss)		**95**	**233**	**39**	**137**
Total comprehensive income/(loss)		**508**	**1,006**	**1,504**	**2,099**

Balance sheet

DKKm

	Note	30 September 2017	31 December 2016	30 September 2016
Assets				
Non-current assets				
Intangible assets		33,023	34,208	34,562
Property, plant and equipment		17,823	18,041	17,861
Joint ventures, associates and other investments		81	87	73
Deferred tax assets		-	-	10
Pension assets	6	6,038	5,595	5,322
Receivables		210	256	260
Derivative financial instruments		54	88	105
Prepaid expenses		300	314	319
Total non-current assets		**57,529**	**58,589**	**58,512**
Current assets				
Inventories		218	243	218
Receivables		1,998	2,495	2,497
Income tax receivables		-	25	-
Derivative financial instruments		440	612	764
Prepaid expenses		645	681	699
Cash		1,404	1,687	1,966
Assets held for sale		-	-	1,401
Total current assets		**4,705**	**5,743**	**7,545**
Total assets		**62,234**	**64,332**	**66,057**

Balance sheet

DKKm

	Note	30 September 2017	31 December 2016	30 September 2016
Equity and liabilities				
Equity				
Share capital		812	812	812
Reserve for exchange rate adjustments		(1,171)	(835)	(1,419)
Reserve for cash flow hedges		(211)	(205)	(191)
Retained earnings		19,821	18,080	17,597
Proposed dividends		-	802	-
Equity attributable to owners of the parent company		**19,251**	**18,654**	**16,799**
Hybrid capital	8	5,552	5,552	5,552
Non-controlling interests		1	1	21
Total equity		**24,804**	**24,207**	**22,372**
Non-current liabilities				
Deferred tax liabilities		4,080	4,133	3,901
Provisions		932	935	940
Pension liabilities		35	39	41
Loans	7	17,319	23,966	26,599
Derivative financial instruments		406	290	395
Deferred income		373	372	380
Total non-current liabilities		**23,145**	**29,735**	**32,256**
Current liabilities				
Loans	7	4,711	220	259
Trade and other payables		5,604	6,186	5,819
Income tax payable		250	-	399
Derivative financial instruments		517	659	882
Deferred income		3,072	3,132	2,926
Provisions		131	193	185
Liabilities concerning assets held for sale		-	-	959
Total current liabilities		**14,285**	**10,390**	**11,429**
Total liabilities		**37,430**	**40,125**	**43,685**
Total equity and liabilities		**62,234**	**64,332**	**66,057**

Statement of cash flow

DKKm

	Q3 2017	Q3 2016	Change in %	Q1-Q3 2017	Q1-Q3 2016	Change in %
EBITDA	2,100	2,165	(3.0)	6,285	6,430	(2.3)
Adjustment for non-cash items	51	65	(21.5)	165	190	(13.2)
Pension contributions	(22)	(21)	(4.8)	(69)	(64)	(7.8)
Payments related to provisions	(3)	(1)	(200.0)	(9)	(4)	(125.0)
Special items	(69)	(73)	5.5	(253)	(348)	27.3
Change in working capital	(180)	(384)	53.1	103	(122)	184.4
Interest paid, net	(24)	(27)	11.1	(624)	(771)	19.1
Income tax paid	(3)	(1)	(200.0)	(273)	(331)	17.5
Operating activities in continuing operations	**1,850**	**1,723**	**7.4**	**5,325**	**4,980**	**6.9**
Operating activities in discontinued operations	-	36	-	-	132	-
Total cash flow from operating activities	**1,850**	**1,759**	**5.2**	**5,325**	**5,112**	**4.2**
Investment in enterprises	(76)	(3)	-	(76)	(109)	30.3
Investment in property, plant and equipment	(710)	(762)	6.8	(2,284)	(2,345)	2.6
Investment in intangible assets	(353)	(239)	(47.7)	(848)	(699)	(21.3)
Investment in other non-current assets	-	-	-	(19)	(1)	-
Divestment of enterprises	(2)	-	-	491	-	-
Divestment of joint ventures and associates	-	-	-	2	-	-
Sale of other non-current assets	7	7	-	31	21	47.6
Dividends received from joint ventures and associates	-	-	-	1	7	(85.7)
Investing activities in continuing operations	**(1,134)**	**(997)**	**(13.7)**	**(2,702)**	**(3,126)**	**13.6**
Investing activities in discontinued operations	-	6	-	6	(116)	105.2
Total cash flow from investing activities	**(1,134)**	**(991)**	**(14.4)**	**(2,696)**	**(3,242)**	**16.8**
Repayment of long-term loans	(1,860)	-	-	(1,860)	-	-
Finance lease repayments	(27)	(35)	22.9	(64)	(74)	13.5
Change in short-term bank loans	25	5	-	25	2	-
Coupon payments on hybrid capital	-	-	-	(195)	(196)	0.5
Dividends paid	-	-	-	(802)	-	-
Financing activities in continuing operations	**(1,862)**	**(30)**	**-**	**(2,896)**	**(268)**	**-**
Financing activities in discontinued operations	-	(1)	-	-	(1)	-
Total cash flow from financing activities	**(1,862)**	**(31)**	**-**	**(2,896)**	**(269)**	**-**
Total cash flow	**(1,146)**	**737**	**-**	**(267)**	**1,601**	**(116.7)**
Cash and cash equivalents (beginning-of-period)	2,546	1,234	106.3	1,687	363	-
Effect of exchange-rate changes on cash and cash equivalents	4	(3)	-	(16)	4	-
Cash and cash equivalents (end-of-period)	**1,404**	**1,968**	**(28.7)**	**1,404**	**1,968**	**(28.7)**

Equity free cash flow

DKKm

	Q3 2017	Q3 2016	Change in %	Q1-Q3 2017	Q1-Q3 2016	Change in %
Cash flow from operating activities	1,850	1,723	7.4	5,325	4,980	6.9
Investment in property, plant and equipment	(710)	(762)	6.8	(2,284)	(2,345)	2.6
Investment in intangible assets	(353)	(239)	(47.7)	(848)	(699)	(21.3)
Finance lease repayments	(27)	(35)	22.9	(64)	(74)	13.5
Coupon payments on hybrid capital	-	-	-	(195)	(196)	0.5
Equity free cash flow	**760**	**687**	**10.6**	**1,934**	**1,666**	**16.1**

Statement of changes in equity

DKKm

	Equity attributable to owners of the parent company								
	Share capital	Reserve for currency translation adjustments	Reserve for cash flow hedges	Retained earnings	Proposed dividends	Total	Hybrid capital	Non-controlling interests	Total
Equity at 1 January 2016	812	(2,019)	(247)	16,229	-	14,775	5,552	27	20,354
Profit for the period				1,793		1,793	175	(6)	1,962
Exchange-rate adjustments of foreign enterprises		600				600			600
Value adjustments of hedging instruments			56			56			56
Remeasurement effects of defined benefit pension plans				(666)		(666)			(666)
Income tax relating to remeasurement effects of defined benefit pension plans				147		147			147
Total comprehensive income	**-**	**600**	**56**	**1,274**	**-**	**1,930**	**175**	**(6)**	**2,099**
Share-based remuneration				94		94			94
Coupon payments on hybrid capital						-	(196)		(196)
Income tax relating to coupon payments on hybrid capital						-	21		21
Total transactions with shareholders	**-**	**-**	**-**	**94**	**-**	**94**	**(175)**	**-**	**(81)**
Equity at 30 September 2016	**812**	**(1,419)**	**(191)**	**17,597**	**-**	**16,799**	**5,552**	**21**	**22,372**

Statement of changes in equity (continued)

DKKm

	Equity attributable to owners of the parent company								
	Share capital	Reserve for currency translation adjustments	Reserve for cash flow hedges	Retained earnings	Proposed dividends	Total	Hybrid capital	Non-controlling interests	Total
Equity at 1 January 2017	812	(835)	(205)	18,080	802	18,654	5,552	1	24,207
Profit for the period				1,301		1,301	164		1,465
Exchange-rate adjustments of foreign enterprises		(336)				(336)			(336)
Value adjustments of hedging instruments			(6)			(6)			(6)
Remeasurement effects related to defined benefit pension plans				489		489			489
Income tax relating to remeasurement effects from defined benefit pension plans				(108)		(108)			(108)
Total comprehensive income	**-**	**(336)**	**(6)**	**1,682**	**-**	**1,340**	**164**	**-**	**1,504**
Distributed dividends					(802)	(802)			(802)
Share-based remuneration				59		59			59
Coupon payments on hybrid capital							(195)		(195)
Income tax relating to coupon payments on hybrid capital							31		31
Additions to non-controlling interest									-
Decrease in non-controlling interest									-
Total transactions with shareholders	**-**	**-**	**-**	**59**	**(802)**	**(743)**	**(164)**	**-**	**(907)**
Equity at 30 September 2017	**812**	**(1,171)**	**(211)**	**19,821**	**-**	**19,251**	**5,552**	**1**	**24,804**

Notes to consolidated financial statements

Note 1 Accounting policies

TDC Group's Interim Financial Report for Q1-Q3 2017 has been prepared in accordance with IAS 34 Interim Financial Reporting and the additional disclosure requirements for listed companies. The accounting policies are unchanged compared with the policies applied in the Annual Report 2016.

The consolidated financial statements are based on the historical cost convention, except that the following assets and liabilities are measured at fair value: derivatives, financial instruments held for trading, and financial instruments classified as available for sale.

Critical accounting estimates and judgements
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 of the consolidated financial statements are shown in note 1.2 in the consolidated financial statements for 2016, cf. TDC Group's Annual Report 2016.

New accounting standards
TDC Group continues to assess the impact of the new accounting standards IFRS 15 Revenue from contracts with customers, IFRS 9 Financial instruments and IFRS 16 Leases on the consolidated financial statements. For more information, see note 6.8 in TDC Group's Annual Report 2016. The expected impact from IFRS 15 and IFRS 9 (effective from 1 January 2018) will be disclosed in the Annual Report for 2017.IFRS 16 will be implemented when it becomes effective in 2019.

Note 2 Segment reporting

Activities

DKKm

	Consumer		Business		Wholesale		Other operations[1]	
	Q3 2017	**Q3 2016**	**Q3 2017**	**Q3 2016**	**Q3 2017**	**Q3 2016**	**Q3 2017**	**Q3 2016**
Mobility services	729	700	284	308	150	155	1	1
Landline voice	171	204	180	207	50	62	3	3
Internet and network	601	612	343	456	196	186	43	27
TV	1,022	1,060	9	9	13	13	-	1
Other services	70	125	239	281	38	31	77	116
Norway	-	-	-	-	-	-	-	-
Revenue	**2,593**	**2,701**	**1,055**	**1,261**	**447**	**447**	**124**	**148**
Total operating expenses excl. depreciation, etc.	(1,040)	(1,111)	(410)	(521)	(175)	(205)	(863)	(917)
Other income and expenses	-	-	-	1	-	-	37	32
EBITDA	**1,553**	**1,590**	**645**	**741**	**272**	**242**	**(702)**	**(737)**
Specification of revenue:								
External revenue	2,589	2,701	1,043	1,225	433	428	120	139
Revenue across segments	4	-	12	36	14	19	4	9

	Norway[2]		Eliminations		Total	
	Q3 2017	**Q3 2016**	**Q3 2017**	**Q3 2016**	**Q3 2017**	**Q3 2016**
Mobility services	-	-	(1)	(3)	1,163	1,161
Landline voice	-	-	(1)	-	403	476
Internet and network	-	-	(3)	(25)	1,180	1,256
TV	-	-	(1)	1	1,043	1,084
Other services	-	-	(13)	(20)	411	533
Norway	791	758	(29)	(33)	762	725
Revenue	**791**	**758**	**(48)**	**(80)**	**4,962**	**5,235**
Total operating expenses excl. depreciation, etc.	(459)	(429)	55	89	(2,892)	(3,094)
Other income and expenses	1	1	(8)	(10)	30	24
EBITDA	**333**	**330**	**(1)**	**(1)**	**2,100**	**2,165**
Specification of revenue:						
External revenue	777	742	-	-	4,962	5,235
Revenue across segments	14	16	(48)	(80)	-	-

Note 2 Segment reporting (continued)

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

DKKm	Q3 2017	Q3 2016
EBITDA from reportable segments	2,100	2,165
Unallocated:		
Depreciation, amortisation and impairment losses	(1,316)	(1,222)
Special items	(169)	(56)
Financial income and expenses	(93)	(53)
Consolidated profit before income taxes	**522**	**834**

1 Consists of the two operating segments Operations and Headquarters. At Operations, external revenue amounted to DKK 117m (Q3 2016: DKK 134m), revenue across segments amounted to DKK 1m (Q3 2016: DKK 5m) and EBITDA amounted to DKK (420)m (Q3 2016: DKK (430)m). At Headquarters, external revenue amounted to DKK 3m (Q3 2016: DKK 5m), revenue across segments amounted to DKK 3m (Q3 2016: DKK 4m) and EBITDA amounted to DKK (282)m (Q3 2016: DKK (307)m).

2 Consists of the two operating segments Get and TDC Norway AS. At Get, external revenue amounted to DKK 634m (Q3 2016: DKK 579m), revenue across segments amounted to DKK 0m (Q3 2016: DKK 0m) and EBITDA amounted to DKK 311m (Q3 2016: DKK 299m). At TDC Norway AS, external revenue amounted to DKK 143m (Q3 2016: DKK 163m), revenue across segments amounted to DKK 14m (Q3 2016: DKK 16m) and EBITDA amounted to DKK 22m (Q3 2016: DKK 31m).

Note 2 Segment reporting (continued)

Activities

DKKm

	Consumer		Business		Wholesale		Other operations[1]	
	Q1-Q3 2017	Q1-Q3 2016	Q1-Q3 2017	Q1-Q3 2016	Q1-Q3 2017	Q1-Q3 2016	Q1-Q3 2017	Q1-Q3 2016
Mobility services	2,122	2,042	882	937	427	406	2	2
Landline voice	535	645	575	653	155	189	9	10
Internet and network	1,806	1,839	1,130	1,367	591	554	130	75
TV	3,121	3,195	25	28	40	36	1	2
Other services	291	352	793	844	107	102	219	285
Norway	-	-	-	-	-	-	-	-
Revenue	**7,875**	**8,073**	**3,405**	**3,829**	**1,320**	**1,287**	**361**	**374**
Total operating expenses excl. depreciation, etc.	(3,243)	(3,370)	(1,435)	(1,607)	(533)	(568)	(2,628)	(2,684)
Other income and expenses	-	-	-	1	-	1	105	100
EBITDA	**4,632**	**4,703**	**1,970**	**2,223**	**787**	**720**	**(2,162)**	**(2,210)**
Specification of revenue:								
External revenue	7,870	8,073	3,330	3,704	1,276	1,230	348	349
Revenue across segments	5	-	75	125	44	57	13	25

	Norway[2]		Eliminations		Total	
	Q1-Q3 2017	Q1-Q3 2016	Q1-Q3 2017	Q1-Q3 2016	Q1-Q3 2017	Q1-Q3 2016
Mobility services	-	-	(3)	(5)	3,430	3,382
Landline voice	-	-	(1)	-	1,273	1,497
Internet and network	-	-	(40)	(75)	3,617	3,760
TV	-	-	-	-	3,187	3,261
Other services	-	-	(50)	(75)	1,360	1,508
Norway	2,441	2,298	(84)	(90)	2,357	2,208
Revenue	**2,441**	**2,298**	**(178)**	**(245)**	**15,224**	**15,616**
Total operating expenses excl. depreciation, etc.	(1,383)	(1,303)	202	272	(9,020)	(9,260)
Other income and expenses	3	3	(27)	(31)	81	74
EBITDA	**1,061**	**998**	**(3)**	**(4)**	**6,285**	**6,430**
Specification of revenue:						
External revenue	2,400	2,260	-	-	15,224	15,616
Revenue across segments	41	38	(178)	(245)	-	-

Note 2 Segment reporting (continued)

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

DKKm

	Q1-Q3 2017	Q1-Q3 2016
EBITDA from reportable segments	6,285	6,430
Unallocated:		
Depreciation, amortisation and impairment losses	(3,835)	(3,577)
Special items	(92)	(213)
Financial income and expenses	(514)	(253)
Consolidated profit/(loss) before income taxes	**1,844**	**2,387**

1 Consists of the two operating segments Operations and Headquarters. At Operations, external revenue amounted to DKK 332m (Q1-Q3 2016: DKK 335m), revenue across segments amounted to DKK 5m (Q1-Q3 2016: DKK 13m) and EBITDA amounted to DKK (1,189)m (Q1-Q3 2016: DKK (1,245)m). At Headquarters, external revenue amounted to DKK 16m (Q1-Q3 2016: DKK 14m), revenue across segments amounted to DKK 8m (Q1-Q3 2016: DKK 12m) and EBITDA amounted to DKK (973)m (Q1-Q3 2016: DKK (965)m).

2 Consists of the two operating segments Get and TDC Norway AS. At Get, external revenue amounted to DKK 1,952m (Q1-Q3 2016: DKK 1,738m), revenue across segments amounted to DKK 0m (Q1-Q3 2016: DKK 0m) and EBITDA amounted to DKK 995m (Q1-Q3 2016: DKK 914m). At TDC Norway AS, external revenue amounted to DKK 448m (Q1-Q3 2016: DKK 522m), revenue across segments amounted to DKK 41m (Q1-Q3 2016: DKK 38m) and EBITDA amounted to DKK 66m (Q1-Q3 2016: DKK 84m).

Note 3 Depreciation, amortisation and impairment losses

DKKm

	Q3 2017	Q3 2016	Q1-Q3 2017	Q1-Q3 2016
Depreciation on property, plant and equipment	(801)	(729)	(2,371)	(2,194)
Amortisation of intangible assets	(510)	(465)	(1,437)	(1,345)
Impairment losses	(5)	(28)	(27)	(38)
Total	**(1,316)**	**(1,222)**	**(3,835)**	**(3,577)**

The rise in depreciation, amortisation and impairment losses from Q1-Q3 2016 to Q1-Q3 2017 reflects primarily a change in the useful lives of various property, plant and equipment as well as software driven by the upgrading of the cable network to enable 1 gigabit broadband.

Note 4 Special items

Special items include significant amounts that cannot be attributed to normal operations such as restructuring costs. 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.

Special items as described above are disclosed on the face of the income statement. Items of a similar nature for non-consolidated enterprises and discontinued operations are recognised in profit from joint ventures and associates and profit from discontinued operations, respectively.

Special items

DKKm

	Q3 2017	Q3 2016	Q1-Q3 2017	Q1-Q3 2016
Gain from divestments of enterprises and property	-	-	137	-
Costs related to redundancy programmes and vacant tenancies	(145)	(57)	(255)	(185)
Other restructuring costs, etc.	(23)	1	(26)	(23)
Income from rulings	-	-	54	-
Loss from rulings	-	-	(1)	(5)
Costs related to acquisition of enterprises	(1)	-	(1)	-
Special items before income taxes	**(169)**	**(56)**	**(92)**	**(213)**
Income taxes related to special items	37	12	50	45
Special items related to discontinued operations	14	-	26	(15)
Total special items	**(118)**	**(44)**	**(16)**	**(183)**

The positive development in special items was due primarily to the gain from divestment of TDC Hosting in March 2017 (DKK 137m) and compensation from the Danish State for the costs of providing a maritime distress and safety service in Denmark in 2010-2012 (DKK 54m).

Note 5 Financial income and expense

Financial income and expenses

DKKm

	Q3 2017	Q3 2016	Change in %	Q1-Q3 2017	Q1-Q3 2016	Change in %
Interest income	3	5	(40.0)	11	13	(15.4)
Interest expenses	(166)	(196)	15.3	(490)	(595)	17.6
Net interest	**(163)**	**(191)**	**14.7**	**(479)**	**(582)**	**17.7**
Currency translation adjustments	64	66	(3.0)	(81)	187	(143.3)
Fair value adjustments	(14)	43	(132.6)	(6)	54	(111.1)
Interest, currency translation adjustments and fair value adjustments	**(113)**	**(82)**	**(37.8)**	**(566)**	**(341)**	**(66.0)**
Profit/(loss) from joint ventures and associates	-	-	-	(7)	(1)	-
Interest on pension assets	20	29	(31.0)	59	89	(33.7)
Total	**(93)**	**(53)**	**(75.5)**	**(514)**	**(253)**	**(103.2)**

Net financials recognised in other comprehensive income

DKKm

	Q3 2017	Q3 2016	Q1-Q3 2017	Q1-Q3 2016
Currency translation adjustment, foreign enterprises	128	324	(336)	600
Reversal of currency translation adjustment related to disposal of foreign enterprises	-	-	-	-
Exchange-rate adjustments of foreign enterprises	**128**	**324**	**(336)**	**600**
Change in fair value adjustments of cash flow hedges	(31)	32	-	67
Change in fair value adjustments of cash flow hedges transferred to financial expenses	(2)	(27)	(6)	(11)
Value adjustments of hedging instruments	**(33)**	**5**	**(6)**	**56**

Financial income and expenses represented an expense of DKK 514m in Q1-Q3 2017, an increase of DKK 261m compared with Q1-Q3 2016, driven primarily by a negative development in currency translation adjustments, partly offset by lower net interest expenses:

- The EMTN bond buy-back in December 2016 resulted in a DKK 94m reduction in interest expenses in Q1-Q3 2017
- In Q1-Q3 2017 intercompany loans denominated in NOK resulted in a currency loss of DKK 104m, whereas these loans resulted in a currency gain of DKK 223m in Q1-Q3 2016

Note 5 Financial income and expense (continued)

Specifications

DKKm

	Q3 2017				Q3 2016			
	Interest	Currency translation adjustments	Fair value adjustments	Total	Interest	Currency translation adjustments	Fair value adjustments	Total
Euro Medium Term Notes (EMTNs) incl. hedges (treated as hedge accounting)	(145)	(11)	1	**(155)**	(175)	(18)	27	**(166)**
European Investment Bank (EIB) and KfW bank loans incl. hedges (treated as hedge accounting)	(5)	(8)	(1)	**(14)**	(5)	(6)	-	**(11)**
Other hedges (not treated as hedge accounting)	0	-	(14)	**(14)**	-	-	16	**16**
Other	(13)	83	-	**70**	(11)	90	-	**79**
Total	**(163)**	**64**	**(14)**	**(113)**	**(191)**	**66**	**43**	**(82)**

	Q1-Q3 2017				Q1-Q3 2016			
	Interest	Currency translation adjustments	Fair value adjustments	Total	Interest	Currency translation adjustments	Fair value adjustments	Total
Euro Medium Term Notes (EMTNs) incl. hedges (treated as hedge accounting)	(427)	(13)	5	**(435)**	(523)	24	11	**(488)**
European Investment Bank (EIB) and KfW bank loans incl. hedges (treated as hedge accounting)	(17)	(8)	(1)	**(26)**	(18)	12	-	**(6)**
Other hedges (not treated as hedge accounting)	-	-	(10)	**(10)**	-	-	43	**43**
Other	(35)	(60)	-	**(95)**	(41)	151	-	**110**
Total	**(479)**	**(81)**	**(6)**	**(566)**	**(582)**	**187**	**54**	**(341)**

Note 6 Pension assets and pension obligations

Pension (costs)/income

DKKm

	Q3 2017	Q3 2016	Q1-Q3 2017	Q1-Q3 2016
Specification of plans:				
Denmark	(15)	(2)	(43)	(6)
Norway	3	(1)	2	(2)
Pension income/(costs) from defined benefit plans	**(12)**	**(3)**	**(41)**	**(8)**
Recognition in the income statement:				
Service cost[1]	(29)	(30)	(93)	(91)
Administrative expenses	(3)	(2)	(7)	(6)
Personnel expenses (included in EBITDA)	**(32)**	**(32)**	**(100)**	**(97)**
Interest on pension assets	20	29	59	89
Pension income/(costs) from defined benefit plans	**(12)**	**(3)**	**(41)**	**(8)**

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

	Q3 2017	Q3 2016	Q1-Q3 2017	Q1-Q3 2016
Pension (costs)/income				
Service cost	(31)	(30)	(95)	(90)
Administrative expenses	(3)	(2)	(7)	(6)
Personnel expenses (included in EBITDA)	**(34)**	**(32)**	**(102)**	**(96)**
Interest on pension assets	19	30	59	90
Pension (costs)/income	**(15)**	**(2)**	**(43)**	**(6)**
Domestic redundancy programmes recognised in special items	(44)	(14)	(79)	(24)
Total pension (costs)/income recognised in the income statement	**(59)**	**(16)**	**(122)**	**(30)**

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.

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.

Note 6 Pension assets and pension obligations (continued)

Domestic defined benefit plan (continued)

DKKm

	30 September 2017	31 December 2016	30 September 2016
Assets and obligations			
Specification of pension assets			
Fair value of plan assets	30,213	30,836	30,776
Defined benefit obligation	(24,175)	(25,241)	(25,454)
Pension assets recognised in the balance sheet	**6,038**	**5,595**	**5,322**
Change in pension assets			
Pension assets recognised at 1 January	5,595	5,947	5,947
Pension (costs)/income	(122)	(34)	(30)
Remeasurement effects	489	(426)	(666)
TDC's contribution	76	108	71
Pension assets recognised in the balance sheet	**6,038**	**5,595**	**5,322**
Assumptions used to determine defined benefit obligations			
Discount rate	1.48	1.41	0.96
General price/wage inflation	1.62	1.69	1.28
Assumptions used to determine pension (costs)/income			
Discount rate	1.41	2.00	2.00
General price/wage inflation	1.69	1.50	1.50

The pension obligation is calculated by discounting the expected future pension payments.

The remeasurement effects in Q1-Q3 2017 (a net gain of DKK 489m) cover primarily a gain related to the benefit obligation (DKK 709m) resulting from the increasing discount rate (from 1.41% to 1.48%) and the decreasing inflation rate (from 1.69% to 1.62%). The gain was partly offset by a loss related to the plan assets (DKK 220m) as the actual return was lower than the expected return[1].

The remeasurement effects in Q1-Q3 2016 (a net loss of DKK 666m) cover a loss related to the pension obligation (DKK 2,552m) resulting from the decreasing discount rate (from 2.00% to 0.96%), partly offset by the decreasing inflation rate (from 1.50% to 1.28%). This loss was partly offset by a gain related to plan assets (DKK 1,886m) as the actual return was higher than the expected return[1].

Foreign defined benefit plans

TDC's foreign defined benefit plans concern employees in Norway. The difference between the actuarially determined pension obligations and the fair value of the pension funds' assets is recognised in the balance sheet under pension liabilities.

1 In accordance with International Financial Reporting Standards, the expected return should be assumed to be equal to the discount rate as of the end of the previous year.

Note 7 Loans and net interest-bearing debt

Euro Medium Term Notes (EMTNs) and bank loans[1]

DKKm

	2018	2019	2020	2020	2022	2023	2027	Total
Maturity	23 Feb 18	30 Dec 19	4 Feb 20	14 Dec 20	2 Mar 22	23 Feb 23	27 Feb 27	
Fixed/Floating rate	Fixed	Floating	Floating	Floating	Fixed	Fixed	Fixed	
Coupon	4.375%				3.750%	5.625%	1.750%	
Currency	EUR	EUR	EUR	EUR	EUR	GBP	EUR	
Type	Bond	Bank loan	Bank loan	Bank loan	Bond	Bond	Bond	
Nominal value (DKKm)	4,465	1,116	1,860	744	3,721	3,586	5,953	21,446
Nominal value (Currency)	600	150	250	100	500	425	800	
Hereof nominal value swapped to or with floating interest rate (EURm)	200	150	250	100	150	50	-	900
Hereof nominal value swapped from GBP to EUR (GBPm)[2]	-	-	-	-	-	425	-	425

[1] The maturity of derivatives used for hedging long-term loans matches the maturity of the underlying loans.
[2] The nominal value of the GBP 425m February 2023 bond was fully swapped to EUR 508m.

The maturity analysis above does not include hybrid capital with a principal amount totalling DKK 5,582m due in 3015. For further details on hybrid capital, see note 8.

Net interest-bearing debt

DKKm

	30 September 2017	31 December 2016	30 September 2016
Long-term loans	17,319	23,966	26,599
Short-term loans	4,711	220	259
Interest-bearing payables	2	2	2
Derivatives	79	(109)	(56)
Interest-bearing receivables and investments	(215)	(259)	(429)
Cash	(1,404)	(1,687)	(1,966)
Net interest-bearing debt	**20,492**	**22,133**	**24,409**
50% of hybrid capital	2,776	2,776	2,776
Adjusted net interest-bearing debt	**23,268**	**24,909**	**27,185**

Both net interest-bearing debt and adjusted net interest-bearing debt fell by DKK 1,641m during Q1-Q3 2017 following the net cash flows from operating and investing activities including the net proceeds from divesting TDC Hosting (DKK 493m)[1], partly offset by the payment of dividend (DKK 802m).

1 After adjustment for cash and debt as well as transaction costs.

Note 8 Hybrid capital

TDC has EUR 750m in callable subordinated capital securities (hybrid bonds) outstanding which are accounted for as equity. The hybrid capital is subordinate to the Group's other creditors. Further key details on the hybrid bonds are:

- final maturity: 26 February 3015
- first par call date: 26 February 2021
- coupon rate: fixed at 3.5000% until 26 February 2021

TDC may defer coupon payments to bond holders. However, deferred coupon payments will fall due for payment in the event of distribution of dividends to TDC's shareholders. Deferred coupons will lapse in 3015.

Coupon payments are recognised directly in equity at the time the payment obligation arises. Non-recognised accumulated coupons amounted to DKK 116m as of 30 September 2017.

The hybrid bonds issued by TDC provide 50% equity credit from rating agencies. Accordingly, an adjusted net interest-bearing debt (NIBD) and leverage ratio are disclosed, where 50% of the hybrid capital is included in NIBD.

Note 9 Events after the balance sheet date

None.

Selected financial and operational data

TDC Group

		Q1-Q3 2017	Q1-Q3 2016	2016	2015	2014	2013
Income statement	DKKm						
Revenue		15,224	15,616	21,031	21,935	21,078	21,559
Gross profit		11,339	11,734	15,627	16,458	16,062	16,365
EBITDA		**6,285**	**6,430**	**8,488**	**9,488**	**9,477**	**9,634**
Operating profit/(loss) (EBIT)		**2,358**	**2,640**	**3,267**	**(688)**	**3,727**	**3,960**
Profit/(loss) before income taxes		1,844	2,387	2,491	(1,792)	2,710	3,283
Profit/(loss) for the period from continuing operations		1,439	1,885	1,962	(2,452)	2,379	2,930
Profit/(loss) for the period		**1,465**	**1,962**	**3,037**	**(2,384)**	**3,228**	**3,119**
Income statement, excluding special items							
Operating profit (EBIT)		**2,450**	**2,853**	**3,548**	**4,414**	**5,002**	**4,950**
Profit before income taxes		1,936	2,600	2,771	3,310	3,984	4,273
Profit for the period from continuing operations		**1,481**	**2,053**	**2,182**	**2,423**	**3,461**	**3,674**
Profit for the period		1,481	2,145	2,284	2,502	3,551	3,780
Balance sheet	DKKbn						
Total assets		62.2	66.1	64.3	64.6	74.4	60.4
Net interest-bearing debt		20.5	24.4	22.1	26.0	32.9	21.7
Hybrid capital		5.6	5.6	5.6	5.6	-	-
Total equity		24.8	22.4	24.2	20.4	18.6	20.4
Average number of shares outstanding (million)		802.6	802.0	802.0	801.7	800.2	798.9
Capital expenditure		**(3,093)**	**(2,964)**	**(4,352)**	**(4,316)**	**(3,686)**	**(3,394)**
Statement of cash flow	DKKm						
Operating activities		5,325	4,980	6,828	7,547	6,980	6,674
Investing activities		(2,702)	(3,126)	(4,571)	(4,382)	(16,263)	(3,722)
Financing activities		(2,896)	(268)	(3,181)	(7,591)	11,896	(3,058)
Total cash flow from continuing operations		**(273)**	**1,586**	**(924)**	**(4,426)**	**2,613**	**(106)**
Total cash flow in discontinued operations[1]		6	15	2,243	37	961	305
Total cash flow		**(267)**	**1,601**	**1,319**	**(4,389)**	**3,574**	**199**
Equity free cash flow		**1,934**	**1,666**	**2,082**	**3,187**	**3,309**	**3,175**

TDC Group

		Q1-Q3 2017	Q1-Q3 2016	2016	2015	2014	2013
Key financial ratios							
Earnings Per Share (EPS)	DKK	1.62	2.24	3.58	(2.87)	4.05	3.90
EPS from continuing operations, excl. special items	DKK	1.84	2.56	2.72	3.02	4.33	4.60
Adjusted EPS	DKK	2.18	2.94	3.27	3.76	5.23	5.23
Dividend per share for the financial year	DKK	-	-	1.00	1.00	2.50	3.70
Dividend payout (% of EFCF)	%	-	-	38.5	24.8	62.9	89.3
Gross margin	%	74.5	75.1	74.3	75.0	76.2	75.9
EBITDA margin	%	41.3	41.2	40.4	43.3	45.0	44.7
Adjusted NIBD/EBITDA[2]	x	2.8	3.1	2.9	2.9	3.4	2.1
Retail RGUs (Denmark)							
Mobile subscriptions	# ('000)	2,639	2,609	2,592	2,576	2,566	2,655
TV	# ('000)	1,324	1,395	1,388	1,386	1,420	1,393
Broadband	# ('000)	1,279	1,326	1,312	1,329	1,358	1,361
Landline voice	# ('000)	668	769	742	847	1,010	1,193
Employees							
FTEs (end-of-period)	#	7,432	8,108	7,963	7,897	7,787	7,785
FTEs and temps (end-of-period)	#	7,490	8,191	8,046	8,016	7,848	7,867
Customer satisfaction							
Recommend score	Index[3]	64	65	64	64	64	64

[1] TDC Finland (divested in 2014) and Sweden (divested in Q2 2016) are presented as discontinued operations. Other divestments are included in the respective accounting items during the ownership.
[2] EBITDA for Get is included from November 2014. On a pro-forma basis, if EBITDA for Get had been included for the full-year 2014, the leverage ratio at year-end 2014 would have been 3.1.
[3] YTD average index.

Corporate matters

Acquisition of Plenti
On 11 September 2017, TDC A/S announced that it had entered into an agreement to purchase 100% of the share capital of Plenti ApS including its contractual obligations. The acquisition was completed upon signing of the agreement and a cash transfer to the Plenti shareholders amounting to DKK 74m (equity value).

Plenti was founded in 2015 and the primary activity of the company is sale of mobile telephony to consumers in Denmark.

TDC has been awarded public contract under the SKI 50.48 tender
On 11 October 2017, TDC A/S announced that the procurement agency for the Danish State and municipalities (SKI) had concluded its tender of the 50.48 tele and data contract and awarded the contract part 1 and part 2 to TDC as main supplier. This contract covers mobile voice and data services, landline telephony services, mobile handset and modems including accessories to the Danish State, pre-registered municipalities and other public organizations. Terms of the new contract are valid as of January 1, 2018 for a period of 2 years with an option for SKI to extend the contract twice with 1 year per extension.

Risk factors
TDC Group's Annual Report describes certain risks that could materially and adversely affect TDC Group's business, financial condition, results of operations and/or cash flows. At the end of Q1-Q3 2017, TDC expects no significant changes in the risks.

Forward-looking statements
This report may include statements about TDC Group's expectations, beliefs, plans, objectives, assumptions, 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 Group's results include: the competitive environment and the industry in which TDC operates; contractual obligations in TDC Group's financing arrangements; developments in competition within the domestic and international communications industry; information technology and operational risks including TDC Group'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 any 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 Group cannot predict. In addition, TDC Group 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 Statements of TDC Group for Q1-Q3 2017.

The Financial Report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the Financial Report gives a true and fair view of the Group's assets, liabilities and financial position at 30 September 2017 as well as the results of operations and cash flows for Q1-Q3 2017. 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, xx October 2017

Executive Committee

Pernille Erenbjerg
Group Chief Executive Officer and President

Stig Pastwa
Senior Executive Vice President, Group Chief Financial Officer

Jaap Postma
Senior Executive Vice President of YouSee

Gunnar Evensen
Chief Executive Officer of Norway

Marina Lønning
Senior Executive Vice President of Business

Andreas Pfisterer
Senior Executive Vice President of TDC Operations and Chief Technology and Information Officer

Jens Aaløse
Senior Executive Vice President of Stakeholder Relations and Group Chief Customer Officer

Board of Directors

Pierre Danon
Chairman

Lene Skole
Vice Chairman

Marianne Rørslev Bock

Stine Bosse

Pieter Knook

Angus Porter

Benoit Scheen

Mogens Jensen

John Schwartzbach

Zanne Stensballe

Gert Winkelmann

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Listing

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