”Revenue growth and strong EBITDA growth driven by gross profit and efficiency improvements”

- Revenue increased in Nordic Business and Sunrise. Revenue in Nordic Business increased by 0.8% compared with 1Q 2009, following a positive trend throughout 2009. In Sunrise, revenue increased by 4.5%, driven by significant customer base growth.
- Strong EBITDA growth and improved EBITDA margin in both Nordic Business and Sunrise.
- 2010 guidance confirmed.
- Strong operating free cash flow generation in Nordic Business diluted by adverse working capital movements in Sunrise.
- Decrease in net income from continuing operations explained by currency translation adjustments as well as increase in depreciations and amortization.
- Business combination of Sunrise and Orange Switzerland rejected by the Swiss Competition Commission.
- Continued customer growth across segments and brands.

TDC Group, Key financial data

		1Q 2010	1Q 2009	Change in %
Statements of Income	DKKm			
Revenue		9,062	8,899	1.8
Gross profit		6,448	6,349	1.6
EBITDA		3,345	3,094	8.1
Operating income (EBIT) excluding special items		1,594	1,574	1.3
Net income from continuing operations excl. special items		519	927	(44.0)
Key financial ratios				
EBITDA margin	%	36.9	34.8	-
Capital expenditures excluding share acquisitions	DKKm	(1,051)	(1,126)	6.7
Capex, excluding share acquisitions-to-revenue ratio	%	11.6	12.7	-
EBITDA - Capex	DKKm	2,294	1,968	16.6
Operating free cash flow	DKKm	1,377	1,815	(24.1)
Cash conversion	%	41.2	58.7	-
Net interest-bearing debt	DKKm	(33,502)	(34,461)	2.8
Net debt/EBITDA	x	2.5	2.8	-
EBITDA/interest	x	8.1	9.3	-

For additional data, see TDC Fact Sheet 1Q 2010 on www.tdc.com.

Comments by Henrik Poulsen, CEO and President

" TDC delivered a strong performance in the first quarter of 2010. Revenue grew both in the Nordic Business and Sunrise, despite challenging economic conditions, intense price competition, and the impact of regulation. Our very satisfactory EBITDA growth trajectory is continuing from 2008 and 2009 based on the solid performance of both Nordic Business and Sunrise. Quite importantly, TDC also continued to increase its customer base, driven by growth in mobility services and TV. Nordic Business delivered impressive cash flow growth while Sunrise's cash flow for 1Q was negative due to fluctuations in net working capital. We expect these fluctuations to level out over coming quarters.

TDC was rather surprised by the Swiss Competition Authorities' decision to reject the merger of Sunrise and Orange Switzerland. Both France Telecom and TDC remain firmly convinced that this decision is not beneficial to Swiss consumers and the competitive environment of the Swiss telecommunications market. We are currently reviewing our options and next steps in this process. Fortunately, Sunrise has maintained momentum in recent months, as evidenced by the strong 1Q financials and market share gains.

Our hosting and system integrator businesses are showing signs of recovery from the recession impact we have experienced in recent quarters. This will reinforce our growth opportunity in TDC Nordic as we continue to solidify our market positions in Norway, Sweden and Finland.

Our domestic mobile data business is continuing to grow at high rates. To maintain our competitive edge in this area, TDC will begin ramping up mobile data speeds to 21 Mbps during May, and will launch the first LTE trials in Denmark. We have obtained 2x20 MHz of 2.5GHz spectrum in Denmark in the recent public auction, which enables us to introduce the next generation of mobile technology in the Danish market and thereby augment what is already a market leading, high-quality mobile infrastructure.

For the past 10 months, TDC has been working on an extensive 'Customer Experience' program in our domestic incumbent business. This program, known as 'TAK' yielded sustainable and tangible improvements in both process efficiency and customer satisfaction during 1Q 2010. This is the outcome of an excellent, cross-functional effort by thousands of employees in our Danish business. However, a lot more remains to be achieved in this area, and we will continue our efforts to strengthen our "First Time Right" strategy in the TDC-branded core business.

2010 is off to a good start for TDC and our guidance for the year is therefore confirmed."

Key achievements

- Improved revenue trend in Nordic Business, realized in all quarters of 2009, and continued in 1Q 2010, where positive growth was achieved, despite a challenging economic environment, price pressure from competition and regulation.

- Nordic Business' EBITDA increased by 6.2% and the EBITDA margin was improved from 38.8 to 40.9%.

- Nordic Business' operating free cash flow improved by 29.6% vs. 1Q 2009 to DKK 1,742m and cash conversion reached 65%, constituting a 12 percentage point increase year on year.

- Continued strong performance in Sunrise with improved market shares and unremitting solid revenue and EBITDA growth. Sunrise is well positioned to continue to grow as a strong primary challenger to Swisscom.

- Successful product launches, complementing the already existing broad product offering, contributing to a large increase in the customer base. This, together with in-market consolidation means that TDC has further extended its market leadership in all main telecoms markets.

- TDC obtained 2x20MHz of 2.5GHz spectrum in Denmark in the recent public auction. Thus, TDC will be able to further enhance its mobile broadband speed and capacity using LTE technology.

Operational and financial review, first quarter of 2010

Revenue increase in Nordic Business and Sunrise

TDC Group revenue increased by 1.8% to DKK 9,062m compared with 1Q 2009. Adjusted for currency fluctuations, acquisitions and disposals[1], and mobile termination rate and international roaming charge reductions[2], revenue increased by 0.5%.

Nordic Business revenue increased by 0.8% to DKK 6,550m. This was due to:

- Reduction in international roaming charges effective July 1, 2009 as a result of EU regulation[3]. TDC's mobile termination rate was reduced from DKK 0.62 to DKK 0.54 on May 1, 2009 due to national regulation. Further price reductions on international roaming charges and mobile termination rates have been announced regarding 2Q and 3Q in 2010.

- Currency fluctuations (positive impact of DKK 65m) and acquisitions and disposals (positive impact of DKK 102m). Adjusted for this and the impact from regulation, revenue declined by 0.5%.

- Revenue from mobility services increasing due to growth in both the mobile voice and mobile broadband customer bases.

- Strong growth in the TV customer base combined with higher ARPU contributed positively to revenue growth.

- Although the continued decline in the number of PSTN/ISDN customers caused traditional landline voice revenue to decrease, the fall was to some extent cushioned by a significant increase in VoIP customers.

- The fall in domestic internet and network revenue was caused partly by a drop in the employee broadband customer bases, as a result of the new Danish multimedia tax, and declining ARPU in Consumer due to intensified price competition.

- Lower sales of data communication and mobile terminals.

In Switzerland, revenue increased by 4.5% to DKK 2,513m. Currency effects contributed DKK 46m to the revenue increase. Revenue growth was mainly driven by increased traffic volumes in landline wholesale, as well as mobile retail, due mainly to an increase in postpaid customers and only partly offset by decreased mobile termination rates, see revenue development figure.

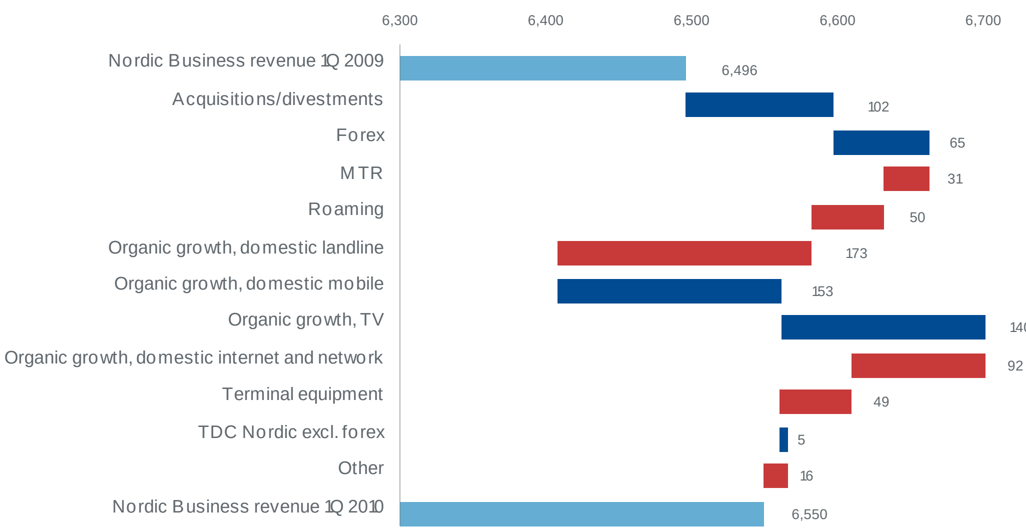
---

[1] Acquisitions and disposals from 1Q 2009 to 1Q 2010 were impacted by the following changes in ownership shares: Acquisitions: Fullrate, A+, DONG Energy's fiber network, M1 and Unotel. Divestments: The satellite business. In the remainder of the Financial Statement, 'adjusted for acquisitions and disposals from 1Q 2009 to 1Q 2010' refers to reported figures for the TDC Group adjusted for these acquisitions and divestments.

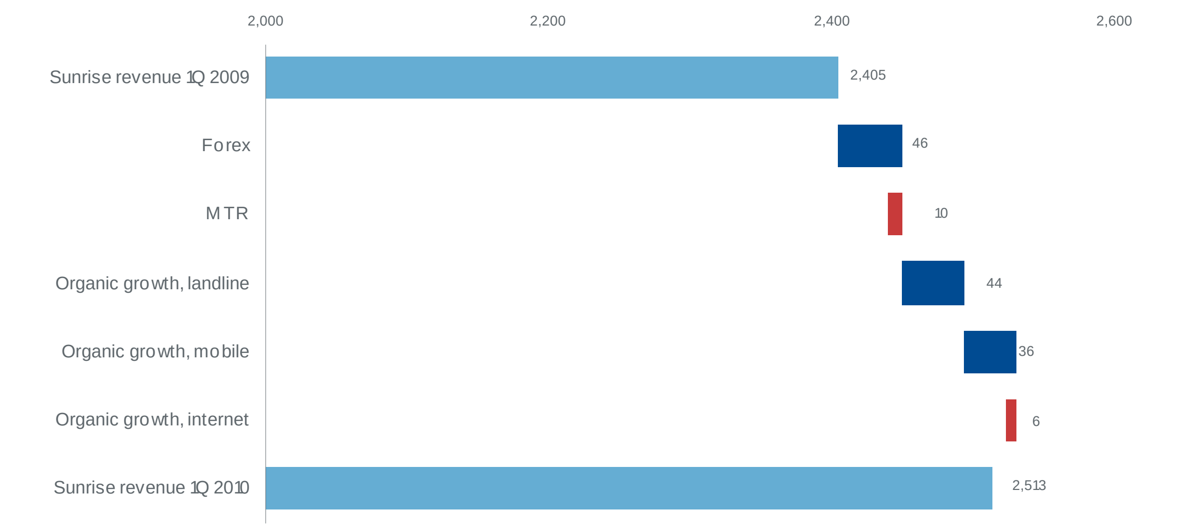
[2] The reductions in mobile termination rates and international roaming charges had limited gross profit impact as it also implied reduced transmission costs.

[3] Retail and wholesale prices for voice decreased by 20-30%. New regulations were imposed on SMS and data prices that led to price decreases of 60-80%.

Nordic Business Revenue development 1Q 2009 - 1Q 2010 **DKKm**



Sunrise Revenue development 1Q 2009 - 1Q 2010 **DKKm**



Continued customer growth

By the end of 1Q 2010, the TDC Group had 11.7m customers, up 4.9% from 1Q 2009.

The domestic customer base totaled 8.645m, up 489,000 or 6.0%, since the end of 1Q 2009. This was due to:

- A significant increase in most retail mobility service areas, e.g. voice – both business subscriptions, and residential subscriptions and prepaid cards - telemetrics, and mobile broadband. TDC's acquisition of M1 and Unotel did not affect TDC's customer base as their customers were included in the wholesale customer base in 1Q 2009.
- The TV customer base increasing by 8.8% due to the success of HomeTrio and continued growth in YouSee.
- The acquisitions of Fullrate and A+ in 2009 contributing to the10.8% growth in TDC's landline internet customer base compared with 1Q 2009.
- TDC limiting the reduction in the landline voice base to 4.7%, and largely offsetting the migration from traditional landline telephony (PSTN/ISDN) through a significant increase in TDC's VoIP customer base. This was triggered by the success in sales of multi-play bundles and the acquisition of Fullrate.
- TDC's other network and data connection customer bases falling by 19.6%. This was due almost entirely to a reduction in ULL connections caused by the acquisition of Fullrate.

Prior to its acquisition by TDC, Fullrate's broadband

Customer base ('000 end-of-period)	1Q 2010	1Q 2009	Change in %
Domestic, retail and wholesale:			
Landline voice customers	1,948	2,045	(4.7)
PSTN/ISDN	1,569	1,894	(17.2)
Retail	1,340	1,616	(17.1)
Wholesale	229	278	(17.6)
VoIP	379	151	151.0
Mobile customers	3,374	3,062	10.2
Retail voice	2,807	2,512	11.7
Wholesale voice	206	286	(28.0)
Telemetrics	361	264	36.7
Mobile broadband	235	136	72.8
Landline internet customers	1,510	1,363	10.8
Broadband, retail	1,299	1,145	13.4
Broadband, wholesale	142	131	8.4
Non-broadband	69	87	(20.7)
Other networks and data connections	308	383	(19.6)
Retail	73	68	7.4
Wholesale	235	315	(25.4)
TV customers	1,270	1,167	8.8
YouSee Plus	144	113	27.4
TDC TV	103	38	171.1
Domestic customers, total	**8,645**	**8,156**	**6.0**
Dual-play bundles	254	110	130.9
Triple-play bundles	96	18	-
International:			
Landline customers	674	733	(8.0)
Other Nordic countries	56	48	16.7
Sunrise	618	685	(9.8)
Mobile customers	1,927	1,811	6.4
Other Nordic countries	49	27	81.5
Sunrise	1,878	1,784	5.3
Landline internet customers	435	437	(0.5)
Other Nordic countries	79	87	(9.2)
Sunrise	356	350	1.7
International customers, total	**3,036**	**2,981**	**1.8**
Group customers, total	**11,681**	**11,137**	**4.9**
Of which Nordic Business	8,829	8,318	6.1

customers were included in TDC's customer base as wholesale customers in either the broadband base or the other network and data connection base. After the acquisition, these customers were transferred to TDC's retail broadband customer base. Fullrate's VoIP customers were also included in TDC's landline voice customer base. Thus, the net impact from the Fullrate acquisition on TDC's customer base was 63,000 customers as shown in the following table.

Net impact from the acquisition of Fullrate on TDC's customer base

('000 end-of-period)	After	Before	Difference
Broadband retail	87	0	87
Broadband wholesale	0	16	(16)
Other network and data	0	71	(71)
VoIP	63	0	63
Total	150	87	63

Note: Customers at the time of acquisition.

During 1Q 2010, the increase in the domestic customer base compared with end-of-year 2009 was 13,000 or 0.2%, and the same general trends described above were prevalent.

Customers in TDC Nordic and Sunrise constitute TDC's international customer base.

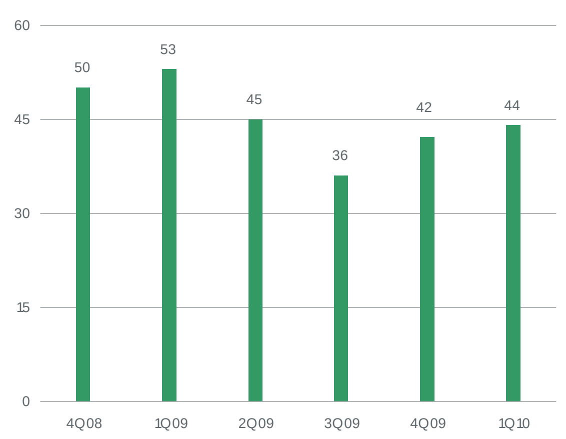
Sunrise's customer base totaled 2.852m, up 33,000 or 1.2% compared with 1Q 2009. This was due to growth of 5.3% and 1.7% in mobile and internet customers, respectively. Landline customers declined by 9.8%. Sunrise's customer base remained unchanged compared with 4Q 2009.

TDC Nordic increased its customer base by 13.6% or 22,000 compared with 1Q 2009 through growth in both its landline and mobile customer base. The increase was 3,000 customers compared with 4Q 2009.

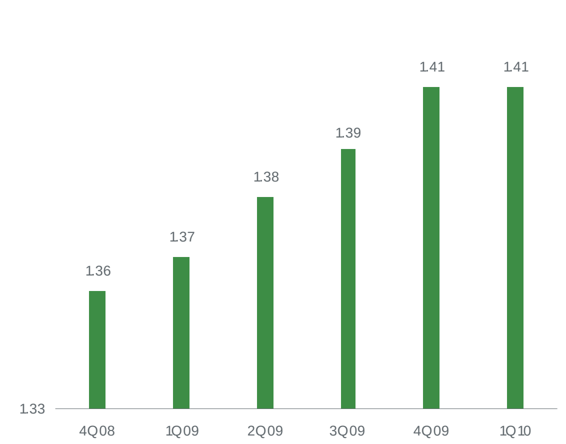
Stabilization of line loss

The copper line loss peaked in 1Q 2009 and by 2Q 2009 had stabilized at a level around 40-45 thousands per quarter. This resulted mainly from PSTN retention initiatives and the introduction of multi-play packages by TDC. Intensified campaigns promoting TDC's multi-play packages temporarily further reduced the flow of migrating customers in 3Q 2009. The effect of multi-play packages is also very visible from the increase in RGUs per line in the same period.

Copper line loss **1,000**

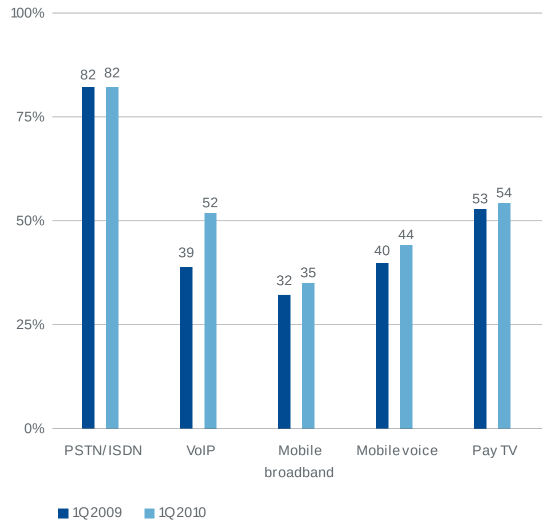


RGU/line



Consolidating our market leader position

Market shares 1Q 2009 -1Q 2010



TDC has consolidated its market leading position by increasing or maintaining its market shares in all main domestic business areas since 1Q 2009.

- The growing market shares can be related to the success of TDC's multi-play offers, organic growth in the mobility services segment and contributions from acquisitions.

Gross profit improvements

TDC gross profit increased by DKK 99m or 1.6% compared with 1Q 2009.

Gross profit in Nordic Business increased by DKK 25m to DKK 4,877m. The main drivers were:

- Improvements in domestic mobility services and TV products resulting from increased customer bases.

- Gross profit decrease on landline telephony-related products as a result of migration from traditional landline telephony towards 'mobile only' and VoIP, which have lower margins and market shares.

Sunrise's gross profit increased by 4.9% to DKK 1,571m as a result of the higher contribution from mobile postpaid and xDSL, as well as the favorable exchange-rate development.

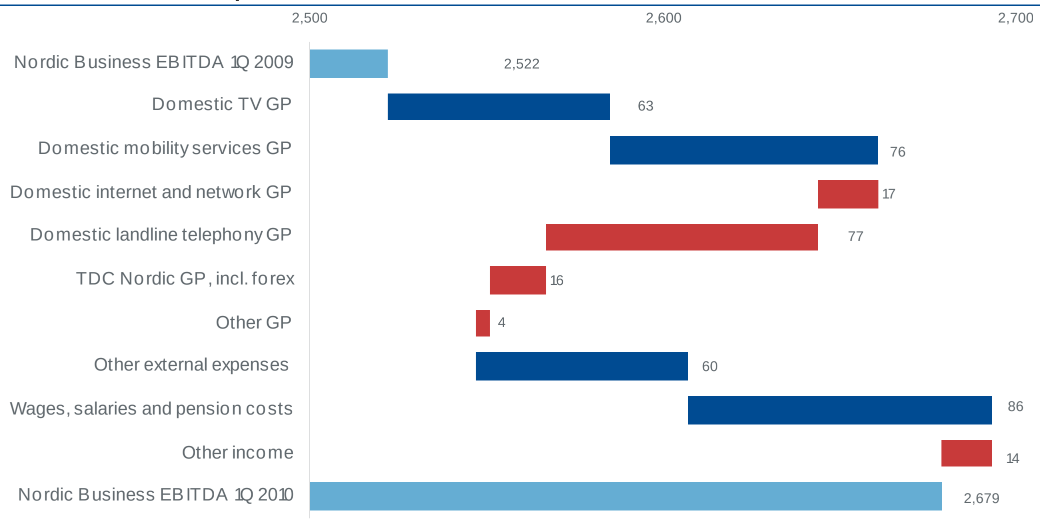
Strong EBITDA growth

TDC Group EBITDA increased by DKK 251m or 8.1% to DKK 3,345m compared with 1Q 2009. The EBITDA margin amounted to 36.9%, up by 2.1 percentage points. Adjusted for currency effects and acquisitions and disposals, EBITDA increased by 6.3%.

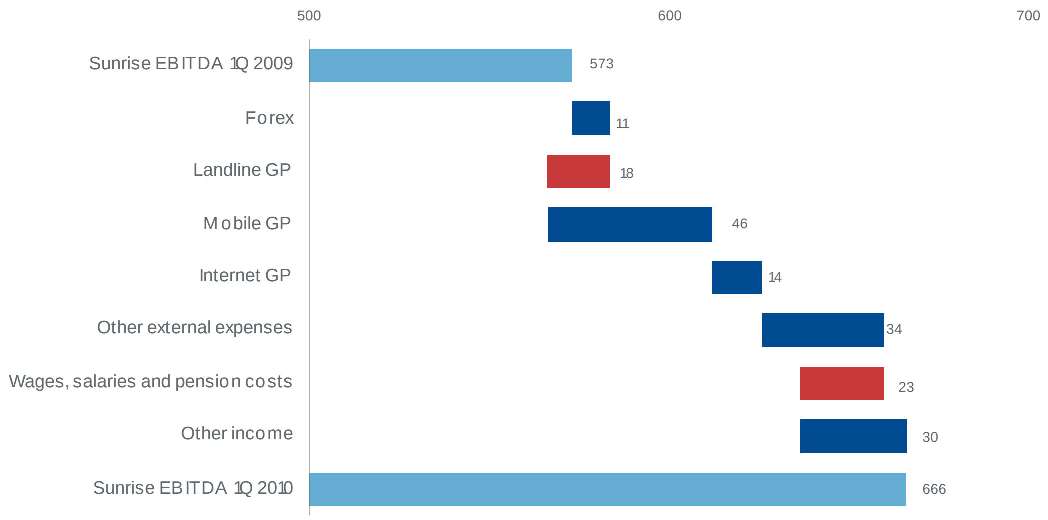
EBITDA in Nordic Business increased by 6.2% to DKK 2,679m. In addition to the gross profit improvements, this was a result of:

- Continued efficiency improvements affecting other external expenses. For example, space management optimization continued, leading to a closure of three

Nordic Business EBITDA development 1Q 2009 – 1Q 2010 **DKKm**



Sunrise EBITDA development 1Q 2009 – 1Q 2010 **DKKm**



major facility locations in the Copenhagen area and relocation to TDC's headquarters since the beginning of 2009.

- The decrease in wages, salaries and pension costs resulting from employee reductions (see also the description of employee development below).

Excluding the impacts from foreign exchange-rate fluctuations and from acquisitions and disposals, EBITDA increased by 5.6%.

The EBITDA margin in Nordic Business continued to improve and reached 40.9% in 1Q 2010, up from 38.8% in 1Q 2009.

Sunrise's EBITDA increased by 16.2% to DKK 666m as a result of growth in gross profit, combined with the sale of assets. The EBITDA margin improved to 26.5%, an increase of 2.7 percentage points. Excluding impacts from exchange rate fluctuations and disposals, Sunrise's EBITDA increased by 9.1%.

Employees

The number of full-time employee equivalents totaled 12,587 at the end of 1Q 2010, down by 563 or 4.3% compared with 13,150 at the end of 1Q 2009. The domestic workforce fell from 10,146 full-time employee equivalents at the end of 1Q 2009 to 9,770 at the end of 1Q 2010, down by 3.7%. The decrease related mainly to redundancy programs (1,025) and was partly offset by employees gained with acquisitions (371).

The decrease in full-time employee equivalents in 1Q 2010 was 241, of which 216 were in the domestic workforce.

Depreciation, amortization and impairment losses

Depreciation, amortization and impairment losses rose by DKK 231m or 15.2% to DKK 1,751m in 1Q 2010. This increase reflected mainly the acquisition of Fullrate, A+, Dong Energy's fiber network, M1 and Unotel as well as higher amortization of customer relationships, impacted by adjusted customer segmentation for purposes of calculating the amortization.

Special items

Special items amounted to expenses of DKK 354m, up by DKK 174m compared with 1Q 2009. The increase reflected primarily higher costs related to redundancy programs.

Net financials

Net financials totaled an expense of DKK 872m, up by DKK 480m compared with 1Q 2009, driven by:

- A negative development of DKK 804m in currency translation adjustments related to derivatives hedging the investment in Sunrise. During 1Q 2009, TDC ceased full hedging of its investment in Sunrise, and the hedging has not been treated as hedge accounting since then.

- An increase in Financial income and expenses by net DKK 78m, reflecting lower interest income from derivatives for hedging the investment in Sunrise as well as lower cash positions.

- A positive development of DKK 402m in fair value adjustments of derivative financial instruments.

Income taxes

The effective tax rate, excluding special items, was 28.1% in 1Q 2010. The effective tax rate is higher than the 25% statutory tax rate in Denmark due to the limitation of tax deductibility on interest expenses according to Danish tax legislation, partly offset at Group level by the lower tax rate in Switzerland.

Net income

In 1Q 2010, net income decreased to DKK 264m from DKK 449m in 1Q 2009. This decline related mainly to increased financial expenses due to the negative impact from currency translation adjustments as well as increased depreciation and amortization. However, improved results from discontinued operations, reflecting the divestment of Invitel, partly offset this effect.

Net income from continuing operations, excluding special items, amounted to DKK 519m in 1Q 2010, down by DKK 408m compared with 1Q 2009. The decrease was due mainly to a negative impact from currency translation adjustments as well as increased depreciation and amortization.

Statements of Cash Flow

Cash flow from operating activities from continuing operations decreased by 38.6%, to DKK 1,363m, while operating free cash flow decreased by 24.1% to DKK 1,377m.

In Nordic Business, cash flow from operating activities increased by 5.9% and operating free cash flow increased by 29.6%. Cash conversion improved by 11.7 percentage points to 65.0%. Improvements in working capital were a key driver of the increase in operating free cash flow.

In Sunrise, cash flow from operating activities decreased from an inflow of DKK 738m to an outflow of DKK 206m. Operating free cash flow developed correspondingly. Cash conversion dropped to (54.8%), and was driven mainly by negative working capital developments.

Cash outflow from investing activities from continuing operations decreased by 13.7%. The improvement reflected primarily lower investments in property, plant and

Cash flow key figures **DKKm**

TDC Group	1Q 2010	1Q 2009	Change in %
Cash flow from operating activities			
Nordic Business	1,569	1,481	5.9
Sunrise	(206)	738	(127.9)
Continuing operations	**1,363**	**2,219**	**(38.6)**
Discontinued operations	0	215	-
Cash flow from operating activities	**1,363**	**2,434**	**(44.0)**
Cash flow from investing activities			
Nordic Business	(1,093)	(1,333)	18.0
Sunrise	(178)	(140)	(27.1)
Continuing operations	(1,271)	(1,473)	13.7
Discontinued operations	(7)	(255)	97.3
Cash flow from investing activities	**(1,278)**	**(1,728)**	**26.0**
Cash flow from financing activities			
Nordic Business	(298)	(4,418)	93.3
Sunrise	(5)	0	-
Continuing operations	**(303)**	**(4,418)**	**93.1**
Discontinued operations	0	(318)	-
Cash flow from financing activities	**(303)**	**(4,736)**	**93.6**
Total cash flow			
Nordic Business	178	(4,270)	104.2
Sunrise	(389)	598	(165.1)
Continuing operations	**(211)**	**(3,672)**	**94.3**
Discontinued operations	(7)	(358)	98.0
Total Cash flow	**(218)**	**(4,030)**	**94.6**
Operating free cash flow			
Nordic Business	1,742	1,344	29.6
Sunrise	(365)	471	(177.5)
Operating free cash flow	1,377	1,815	(24.1)
Cash conversion (%)			
Nordic Business	65.0	53.3	11.7
Sunrise	(54.8)	82.3	(137.1)
Cash conversion	**41.2**	**58.7**	**(17.5)**

equipment in Nordic Business, while cash outflow from investing activities was almost unchanged in Sunrise.

Cash outflow from financing activities in continuing operations decreased by DKK 4,115m. The lower outflow related largely to lower repayments of loans.

Capital expenditures[4]

Capital expenditures totaled DKK 1,051m, down by DKK 75m compared with 1Q 2009.

- Nordic Business capex decreased as a result of lower investments in IT and network infrastructure, the latter

[4] Excluding share acquisitions.

mostly due to postponement as a result of weather conditions.

- In Sunrise, capex increased primarily due to leasehold improvements related to office relocation and exchange-rate fluctuations.

- The capex-to-revenue ratio for the TDC Group decreased to 11.6% in 1Q 2010 from 12.7% in 1Q 2009. Capex-to-revenue in Nordic Business decreased from 15.0% to 13.1% whereas Sunrise capex-to-revenue increased from 6.2% to 7.8%.

Net interest-bearing debt

Net interest-bearing debt totaled DKK 33,502m at the end of 1Q 2010, down by DKK 959m compared with 1Q 2009. This resulted from the divestment of Invitel (approximately DKK 5.0bn) and positive net cash flow from operating and investing activities that was partly offset by the payment of dividends (DKK 6.0bn).

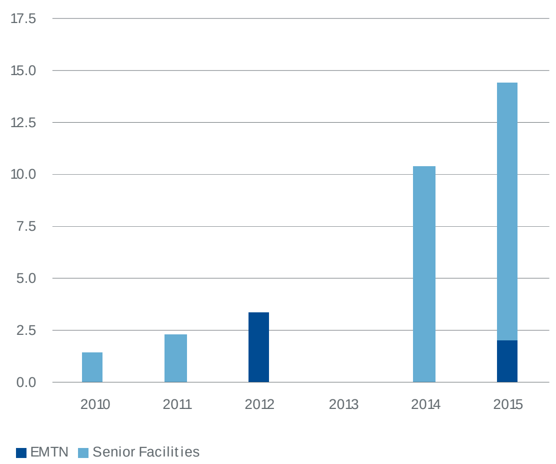
TDC may occasionally continue to make buybacks and prepay its debt, including the Senior Facilities and EMTNs.

Net interest bearing debt[1] **DKKm**

TDC Group	1Q 2010	1Q 2009
Senior loans	26,190	26,126
Euro Medium Term Notes (EMTN)	5,325	5,435
Other loans	2,699	5,747
Loans	**34,214**	**37,308**
Interest-bearing payables	6	0
Gross interest-bearing debt	**34,220**	**37,308**
Interest-bearing receivables	(173)	(159)
Cash and cash equivalents	(545)	(2,688)
Net interest-bearing debt	**33,502**	**34,461**

[1] Net carrying value measured at amortized cost ensures the difference between the proceeds received and the nominal value is recognized in the Statements of Income over the term of the loan.

Maturity profile of gross debt, nominal value[1]



[1]Nominal value of Senior Facilities and EMTN as of March 31, 2010.

Comprehensive income

Total comprehensive income amounted to DKK 306m compared with DKK 288m in 1Q 2009, an increase of DKK 18m. The positive development in currency translation adjustments of foreign enterprises more than offset the negative development in actuarial gains and losses related to defined benefit plans.

Lease commitments for operating leases

The rental commitments relating to properties and mobile sites in the period of interminability amounted to DKK 7.9bn at December 31, 2009. During 1Q 2010 TDC renegotiated certain lease contracts, leading to extended periods of interminability, whereby the rental commitments related to properties and mobile sites increased by approximately DKK 1.2bn.

Accounting policies

The Interim Financial Statements for 1Q 2010 have been prepared in accordance with IAS 34 and additional Danish disclosure requirements for interim financial statements of listed companies.

With effect from January 1, 2010 TDC implemented the new IFRS accounting standards and interpretations that became effective for 2010[5]. IFRS 3 (Revised 2008) *Business Combinations and* IAS 27 (Revised 2008) *Consolidated and*

[5] For more information, see TDC's Annual Report 2009 note 3 to the Consolidated Financial Statements.

Separate Financial Statements have impacted the financial statements for 1Q 2010:

- TDC acquired M1, Unotel, Nordit and AinaCom's fiber network in Finland. Transaction costs relating to the acquisition of enterprises are now expensed as incurred, and are presented as special items in the Statements of Income. Previously, such costs were capitalized. Special items in 1Q 2010 included transaction costs of DKK 1m. Net income, Total comprehensive income and Equity were negatively impacted by DKK 1m.
- TDC increased its ownership share in Unotel from 20% to 100%. The transaction implied an accounting gain related to the earlier 20% ownership in Unotel. Gains or losses resulting from such transactions are now recorded in the Statements of Income, and are presented as special items. Previously, such gains or losses impacted goodwill. Special items relating to income from joint ventures and associates include a gain of DKK 9m. Net income, Total comprehensive income, Total assets and Equity were positively impacted by DKK 9m.

Guidance 2010

Our guidance for 2010 is based on comprehensive financial plans for each individual business line. However, by their very nature, forward-looking statements involve certain risks and uncertainties that are described in more detail in the section on risk factors and in the Safe Harbor Statement.

TDC confirms its 2010 guidance expressed in the Annual Report 2009 and believes it is on track to meet its targets. The guidance for 2010 is for the TDC Group including Sunrise:

TDC expects revenue growth of 1 to 3% compared with 2009.

TDC expects EBITDA growth of 3 to 4% compared with 2009.

Key financial data by business lines

			DKKm
TDC Group	**1Q 2010**	**1Q 2009**	**Change in %**
Revenue	**9,062**	**8,899**	**1.8**
Nordic Business	6,550	6,496	0.8
Consumer	2,391	2,394	(0.1)
TDC Business	1,942	2,035	(4.6)
TDC Nordic	948	878	8.0
Operations & Wholesale	626	666	(6.0)
YouSee	991	849	16.7
Other	(348)	(326)	(6.7)
Sunrise	2,513	2,405	4.5
Other activities	(1)	(2)	50.0
Transmission costs and cost of goods sold	(2,614)	(2,550)	(2.5)
Of which Nordic Business	(1,673)	(1,644)	(1.8)
Gross profit	**6,448**	**6,349**	**1.6**
Of which Nordic Business	4,877	4,852	0.5
Other external expenses	(1,845)	(1,923)	4.1
Of which Nordic Business	(1,164)	(1,224)	4.9
Wages, salaries and pension costs	(1,323)	(1,382)	4.3
Of which Nordic Business	(1,070)	(1,156)	7.4
Other income and expenses	65	50	30.0
Of which Nordic Business	36	50	(28.0)
EBITDA	**3,345**	**3,094**	**8.1**
Nordic Business	2,679	2,522	6.2
Consumer	1,006	969	3.8
TDC Business	932	897	3.9
TDC Nordic	118	106	11.3
Operations & Wholesale	287	356	(19.4)
YouSee	323	268	20.5
Other	13	(74)	117.6
Sunrise	666	573	16.2
Other activities	0	(1)	-

"Consumer increased or maintained its market shares in all market segments compared with 1Q 2009"

Consumer

Consumer offers a broad portfolio of brands and services covering mobile, landline, internet and TV to residential and SoHo customers in Denmark. Consumer uses the TDC brand for the mass market, and the two leading no-frills providers, Telmore and Fullrate, to address the no-frills market.

- Exhibiting steady growth in all quarters, Consumer managed to expand its customer base by 12.9% compared with 1Q 2009. Strong growth was recorded in the broadband, TV, mobile telephony and mobile broadband customer bases. As a result of the strong growth in the VoIP customer base, Consumer was also able to limit the decline in the landline customer base to 2.5%. The success of the multi-play packages launched in 1Q 2009, and the acquisition of Fullrate in 1Q 2009 and M1 in January 2010 generated growth in the customer bases while mobile voice and mobile broadband continued to grow organically.

- The increased customer base was also reflected in larger or maintained market shares in all business areas of the residential market compared with 1Q 2009. Most notably, TDC's residential triple-play market share increased from 31% to 60% during the period, its VoIP market share increased from 42% to 56%, its mobile voice market share increased from 36% to 41% and its mobile broadband market share climbed from 16% to 27%.

- Consumer has continuously renewed product offerings e.g. the recent product launch of the semi-flat-rate product 'TDC to TDC' for landline customers. This product includes free and unlimited telephony from landline to all TDC mobile customers at an attractive monthly subscription fee. Also, the mobile portfolio was relaunched with the introduction of products such as flat-rate data subscriptions at attractive prices and inclusive discounts for loyal customers.

- **Revenue** remained approximately stable in 1Q 2010 compared with 1Q 2009. Adjusted for the acquisition of Fullrate and M1, Consumer's revenue fell by 4.6%. The organic landline telephony revenue decrease was a result of fewer PSTN customers counterbalanced by more VoIP customers. Increases in Telmore (excluding the acquisition of M1), SoHo and mobile broadband contributed most to the organic rise in revenue from mobility services. On the other hand, a negative impact from lower mobile termination charges and lower international mobile roaming charges was caused by national and EU price regulation, respectively. TDC TV revenue increased as a result of the large increase in the customer base.

Financial highlights DKKm

Consumer	1Q 2010	1Q 2009	Change in %
Revenue	**2,391**	**2,394**	**(0.1)**
Landline telephony	614	698	(12.0)
Mobility services	1,137	1,071	6.2
Internet and network	415	403	3.0
Terminal equipment, etc.	71	116	(38.8)
Operator services	41	52	(21.2)
TV	87	23	-
Other	26	31	(16.1)
Transmission costs and cost of goods sold	(761)	(770)	1.2
Gross profit	**1,630**	**1,624**	**0.4**
Other external expenses	(428)	(446)	4.0
Wages, salaries and pension costs	(197)	(211)	6.6
Other income and expenses	1	2	(50.0)
EBITDA	**1,006**	**969**	**3.8**
EBITDA margin (%)	42.1	40.5	-

Selected operational data

Consumer	1Q 2010	1Q 2009	Change in %
Customer base ('000)			
Landline customers	1,213	1,244	(2.5)
Mobile customers	2,176	1,892	15.0
Mobile broadband customers	126	45	180.0
Internet customers	705	609	15.8
TDC TV customers	102	38	168.4
Customer base, total	**4,322**	**3,828**	**12.9**
Dual-play bundles	254	110	130.9
Triple-play bundles	96	18	-
ARPU (DKK/month)			
PSTN/ISDN	183	187	(2.1)
Mobile voice, blended	168	184	(8.7)
Prepaid cards	39	55	(29.1)
Subscriptions (incl. Telmore)	194	206	(5.8)
IP	304	279	9.0
Number of employees	**2,144**	**2,234**	**(4.0)**

- **Gross profit** increased by DKK 6m or 0.4% from 1Q 2009 to 1Q 2010 as transmission costs decreased, stemming primarily from lower landline activity and lower mobile termination rates.

- **EBITDA** increased by DKK 37m or 3.8% compared with 1Q 2009, reflecting savings in other external expenses and wages, salary and pension costs. Adjusted for the acquired companies, Consumer's EBITDA fell by 1.9%.

  Lower acquisition costs, IT costs and reduced billing costs were the main reasons for the fall in other external expenses. This was partly counterbalanced by increased marketing costs and costs related to temporary employees.

  Wages, salaries and pension costs fell as a result of a reduction in average full-time employee equivalents.

"TDC Business successfully raised its EBITDA margin from 44.1 to 48.0%"

TDC Business

TDC Business offers business customers in Denmark a wide range of communications solutions including mainly internet and network services, landline telephony, mobility services and terminal equipment. TDC Business also provides systems integration services through its subsidiary, NetDesign, which offers IT, data, video conferencing and telephony systems tailored for business customers.

- TDC Business' customer base increased by 2.6% compared with 1Q 2009. The number of mobile broadband customers increased from 87,000 at the end of 1Q 2009 to 102,000 at the end of 1Q 2010.

- TDC continues to be the market leader in all key business market segments. In terms of key accomplishments during the period from 1Q 2009 to 1Q 2010, TDC has increased its VoIP market share of the business market from 20% to 33%, while increasing its mobile voice market share from 56% to 58%[6].

- **Revenue** in TDC Business decreased by DKK 93m from 1Q 2009 as the business market has been significantly affected by the economic downturn.

  Revenues from landline telephony decreased from DKK 524m to DKK 477m as the PSTN customer base continued to decrease. This was only partly offset by strong growth in VoIP customer base.

  The customer base in the broadband professional and employee broadband products decreased, the latter being a consequence of the Danish multimedia tax[7] resulting in higher churn at the beginning of 2010. This caused a DKK 56m decrease in revenue from internet and network.

  Revenue from mobility services rose and related mainly to an increase in the mobile broadband customer base.

- **Gross profit** decreased by DKK 27m or 2.0% compared with 1Q 2009, which was related to the reduced revenue, but was partly counteracted by a 9.7% reduction in transmission costs and cost of goods sold that related primarily to landline telephony.

[6] The market shares include other TDC business lines' customers on the business market.

[7] The multimedia tax introduced January 1, 2010, implies that employees provided with broadband or telephony will be taxed. The annual taxable sum is DKK 3,000. As a result of the new legislation, a number of customers has chosen to discontinue their employee broadband.

Financial highlights — DKKm

TDC Business	1Q 2010	1Q 2009	Change in %
Revenue	**1,942**	**2,035**	**(4.6)**
Landline telephony	477	524	(9.0)
Mobility services	596	582	2.4
Internet and network	590	646	(8.7)
Terminal equipment, etc.	250	254	(1.6)
Other[1]	29	29	0.0
Transmission costs and cost of goods sold	(616)	(682)	9.7
Gross profit	**1,326**	**1,353**	**(2.0)**
Other external expenses	(188)	(235)	20.0
Wages, salaries and pension costs	(206)	(221)	6.8
Other income and expenses	0	0	-
EBITDA	**932**	**897**	**3.9**
EBITDA margin (%)	48.0	44.1	-

[1] Includes operator services, etc.

Selected operational data

TDC Business	1Q 2010	1Q 2009	Change in %
Customer base ('000)			
Landline customers	429	473	(9.3)
Mobile customers	992	884	12.2
Mobile broadband customers	102	87	17.2
Internet customers	260	297	(12.5)
Other networks and data connections	73	68	7.4
Customer base, total	**1,856**	**1,809**	**2.6**
ARPU (DKK/month)			
PSTN/ISDN	374	374	0.0
Mobile voice	280	288	(2.8)
Broadband	363	366	(0.8)
Number of employees	**1,568**	**1,646**	**(4.7)**

- **EBITDA** increased by DKK 35m or 3.9% from 1Q 2009 despite the negative impact from the economic downturn. This reflected savings in other external expenses and wages, salaries and pension costs. The latter fell as a result of a 5.2% reduction in average full-time employee equivalents in 1Q 2010 compared with 1Q 2009.

  As a result, TDC Business managed to significantly increase its EBITDA margin from 44.1% in 1Q 2009 to 48.0% in 1Q 2010.

"TDC Nordic - high EBITDA growth and margin expansion thanks to efficiency gains"

TDC Nordic

TDC Nordic offers landline telephony, internet and network services and mobile telephony to business customers in Sweden, Norway and Finland. Through TDC Hosting, TDC Nordic also offers hosting and IT operations solutions for customers in Denmark, Sweden and Finland.

TDC Nordic operates through a state-of-art and frequently updated network infrastructure, including fiber-based backbone, PSTN/ISDN and IP/Ethernet. In the mobile market, TDC Nordic operates as a service provider through MVNO agreements with local operators.

- Since 1Q 2009, 22,000 or 81.5% more mobile customers have joined TDC Nordic and the customer base on landline telephony increased by 16.7%. The total number of customers increased by 22,000 or 13.6% to 184,000. TDC Nordic was also able to increase its ARPU on mobile customers by 12.6%.

- TDC Nordic has strengthened its challenger positions in the region thanks to a new agreement with Vodafone effective March 2010. This has extended its strategic Nordic Partnership to include Sweden and Norway, in addition to the existing agreement covering Denmark. Under the broader Partner Market Agreement, TDC has exclusive access to a range of products, services and devices from Vodafone, promoted under a co-branding model, in three Nordic countries, as well as the acquisition of enterprise customers and improved roaming cooperation.

- **Revenue** in TDC Nordic rose by DKK 70m or 8.0% to DKK 948m in 1Q 2010 compared with 1Q 2009. The increase related primarily to a positive exchange-rate effect and an organic increase in mobile revenue. Integrator business was influenced by the economic downturn, with decreasing revenue in all quarters since the end of 2008. However, this trend was reversed in 1Q 2010.

- **Gross profit** decreased by DKK 16m or 3.8% to DKK 400m in 1Q 2010 compared with 1Q 2009 as transmission costs and cost of goods sold increased by DKK 86m or 18.6% compared with 1Q 2009. The increase in transmission costs and cost of goods sold was due to outsourcing, which has moved costs from wages to transmission costs and cost of goods sold, and the change in product mix.

- **EBITDA** in TDC Nordic increased by DKK 12m or 11.3% to DKK 118m in 1Q 2010 compared with 1Q 2009. EBITDA improved as the decrease in gross profit was more than compensated for by savings in other external expenses and wages, salaries and pension costs.

Financial highlights — DKKm

TDC Nordic	1Q 2010	1Q 2009	Change in %
Revenue	**948**	**878**	**8.0**
TDC Sweden	482	432	11.6
TDC Norge	243	208	16.8
TDC Finland	175	173	1.2
TDC Hosting	82	86	(4.7)
Other, incl. eliminations	(34)	(21)	(61.9)
Landline telephony	233	222	5.0
Mobility services	40	19	110.5
Internet and network	360	336	7.1
Terminal equipment, etc.	252	230	9.6
Other[1]	63	71	(11.3)
Transmission costs and cost of goods sold	(548)	(462)	(18.6)
Gross profit	**400**	**416**	**(3.8)**
Other external expenses	(66)	(92)	28.3
Wages, salaries and pension costs	(217)	(222)	2.3
Other income and expenses	1	4	(75.0)
EBITDA	**118**	**106**	**11.3**
EBITDA margin (%)	12.4	12.1	-

[1] Includes operator services, etc.

Selected operational data

TDC Nordic	1Q 2010	1Q 2009	Change in %
Customer base ('000)			
Landline customers	56	48	16.7
Mobile customers	49	27	81.5
Internet customers	79	87	(9.2)
Customer base, total	**184**	**162**	**13.6**
ARPU (DKK/month)			
Mobile voice	278	247	12.6
Number of employees	**1,441**	**1,620**	**(11.0)**

- The reduction in other external expenses is a result of efficiency gains across the Nordic subsidiaries. The reduction in wages, salaries and pension costs resulted from an 11.0% reduction in FTEs that stemmed primarily from fewer FTEs in TDC Sweden, driven by redundancies and outsourcing.

"Operations & Wholesale maintained its focus on cost efficiency"

Operations & Wholesale

Operations & Wholesale offers wholesale customers in Denmark a broad portfolio of wholesale products in mobile, landline, network, internet and TV.

Operations & Wholesale maintains TDC's mobile and landline networks in Denmark, including field technicians, as well as providing other joint functions, such as facility and fleet management, IT and procurement.

- Operations & Wholesale's customer base decreased by 19.1% compared with the end of 1Q 2009, due primarily to decreases from mobile service providers and internet and network. The decrease was a result of TDC's acquisition of M1 and Fullrate, as these customers were subsequently transferred to Consumer's customer base.

- The strict focus on cost efficiency has resulted in further savings in other external expenses with savings related primarily to facility management and IT.

- The focus on reductions in fault rates, onsite fault corrections and more efficient installations was the primary driver of cost efficiencies, including an FTE reduction of 234, or 5.3%. Adjusted for acquisitions, FTE reductions totaled 339, or 7.7% compared with the end of 1Q 2009. Wages, salaries and pension costs fell by DKK 16m, or 4.5% when corrected for acquisitions, despite a lower degree of capitalization of wages. Most of the FTE reductions were carried out at the end of 1Q 2010 and will therefore not impact wages until the coming quarters.

- **Revenue** declined by DKK 40m or 6% due primarily to lower landline revenue, regulation of international roaming and TDC's acquisition of Fullrate and M1[8]. The acquisition of Dong Energy's fiber network contributed positively to growth. Adjusted for acquisitions and divestments, revenue increased by DKK 18m or 2.9%.

- **Gross profit** declined by DKK 11m or 2.0% as the fall in revenue was offset by a more than proportional decrease in transmission costs and cost of goods sold.

- **EBITDA** declined by DKK 69m as a result of acquisitions and divestments as well as regulation of international roaming, since cost optimizations are largely passed on to other business lines through internal cost allocations. Adjusted for acquisitions and divestments, EBITDA decreased by DKK 6m, or 2.2%.

[8] The acquisition led to a revenue decrease in Operations & Wholesale, as these companies were wholesale customers prior to the acquisition. Revenue from M1 and Fullrate is now part of Consumer.

Financial highlights — DKKm

Operations & Wholesale	1Q 2010	1Q 2009	Change in %
Revenue	**626**	**666**	**(6.0)**
Wholesale	554	578	(4.2)
Other	72	88	(18.2)
Landline telephony	136	168	(19.0)
Mobility services	134	135	(0.7)
Internet and network	245	254	(3.5)
Other	111	109	1.8
Transmission costs and cost of goods sold	(98)	(127)	22.8
Gross profit	**528**	**539**	**(2.0)**
Other external expenses	(566)	(609)	7.1
Wages, salaries and pension costs	(339)	(343)	1.2
Operating expenses allocated to other business lines	656	752	(12.8)
Other income and expenses	8	17	(52.9)
EBITDA	**287**	**356**	**(19.4)**
EBITDA margin (%)	45.8	53.5	-

Selected operational data

Operations & Wholesale	1Q 2010	1Q 2009	Change in %
Customer base ('000)			
Landline customers	231	278	(16.9)
Mobile customers	206	286	(28.0)
Mobile broadband customers	5	4	25.0
Internet customers	142	131	8.4
Other networks and data connections	235	315	(25.4)
TDC TV customers	1	0	-
Customer base, total	**820**	**1,014**	**(19.1)**
ARPU (DKK/month)			
PSTN/ISDN	102	101	1.0
Mobile voice, Service Provider	135	135	0.0
Number of employees	**4,178**	**4,412**	**(5.3)**

"YouSee continues its strong performance with double-digit growth rates in both revenue and EBITDA"

YouSee

YouSee offers analogue and digital TV to 1.4m homes passed, and landline and mobile broadband and telephony to individual households and organized customers (antenna and housing associations).

YouSee operates through a fully digitalized hybrid fiber coaxial-cable network, almost entirely upgraded to DOCSIS 3.0 standard.

- Since 1Q 2009, 38,000 new TV customers have joined YouSee, consolidating TDC's position as the preferred TV supplier in Denmark, with a market share of 54%[9]. The customer base for the digital add-on product (YouSee Plus) increased by 31,000.

- Successful customer growth is also apparent across other customer segments. Since 1Q 2009, YouSee has acquired 77,000 new broadband customers (up by 23.6%), 25,000 new landline customers (up by 50.0%). The total number of customers increased by 142,000 or 9.4% to 1,647,000. This increase was driven both by organic growth and the acquisition of A+ in June 2009.

- **Revenue** rose by DKK 142m or 16.7% to DKK 991m in 1Q 2010 compared with 1Q 2009. This increase related primarily to an increase in TV revenue and an increase in broadband revenue – both thanks to the higher customer base as well as higher ARPU.

- **Gross profit** increased by DKK 87m or 17.7% compared with 1Q 2009. The DKK 55m or 15.4% increase in transmission costs and cost of goods sold reflects increased program expenses from more customers and a wider range of channels in the content packages.

- **EBITDA** in YouSee increased by DKK 55m or 20.5% to DKK 323m in 1Q 2010 compared with 1Q 2009. The increase in gross profit was partly offset by increases in other external expenses and wages, due to the acquisition of A+.

[9] Including TV customers in Consumer.

Financial highlights (DKKm)

YouSee	1Q 2010	1Q 2009	Change in %
Revenue	**991**	**849**	**16.7**
YouSee Clear	662	599	10.5
YouSee Plus	45	31	45.2
Internet services	203	163	24.5
Landline telephony	25	14	78.6
Other [1]	56	42	33.3
Transmission costs and cost of goods sold	(413)	(358)	(15.4)
Gross profit	**578**	**491**	**17.7**
Other external expenses	(122)	(102)	(19.6)
Wages, salaries and pension costs	(134)	(122)	(9.8)
Other income and expenses	1	1	0.0
EBITDA	**323**	**268**	**20.5**
EBITDA margin (%)	32.6	31.6	-

[1] Includes installation fees and TDC TV.

Selected operational data

YouSee	1Q 2010	1Q 2009	Change in %
Customer base ('000)			
TV customers	1,167	1,129	3.4
of which YouSee Plus	144	113	27.4
Internet customers	403	326	23.6
Landline customers	75	50	50.0
Mobile broadband customers	2	-	-
Customer base, total	**1,647**	**1,505**	**9.4**
ARPU (DKK/month)			
Landline internet	171	167	2.4
TV, total	201	185	8.6
YouSee Clear	189	176	7.4
Additional ARPU YouSee Plus	101	95	6.3
Other KPIs			
Homes passed ('000)	1,415	1,362	3.9
Penetration (%)	82	83	-
RGU per subscriber (#)	1.53	1.43	-
Number of employees	**1,259**	**1,157**	**8.8**

"Strong momentum in Sunrise with growing revenues and EBITDA"

Sunrise

Sunrise is the second-largest full-scale operator in Switzerland. Sunrise operates through its own mobile infrastructure and a ULL-based landline infrastructure in parts of Switzerland, while operating as a service provider in areas not yet covered by the ULL solution.

- Sunrise achieved solid growth in its core products, such as mobile telephony and internet (more broadband customers partly offset by fewer dial-up customers), which grew by 5.3% and 1.7%, respectively compared with 1Q 2009. This growth was partly offset by a decline in landline customers leading to 1.2% growth in Sunrise's total customer base.

- **Revenue** grew by DKK 108m or 4.5% compared with 1Q 2009. Adjusted for exchange-rate fluctuations, revenue grew by DKK 62m or 2.5%. Revenue growth was mainly driven by landline telephony, and stemmed from an increase in Wholesale revenues, as well as mobility services, resulting from an increase in postpaid customers and only partly offset by lower mobile termination rates. Internet services declined slightly, due to fewer dial-up customers. xDSL-revenues remained stable as the impact from subscribers being migrated to the ULL-based products with lower ARPU was offset by an increase in the total number of xDSL customers.

- **Gross profit** increased by DKK 74m, or 4.9%. Adjusted for exchange-rate fluctuations, gross profit increased by DKK 45m or 3.0%. Growth in gross profit was mainly driven by the increase in mobile postpaid customers as well as lower xDSL costs, resulting from the migration of customers to Sunrise's own ULL infrastructure, with lower costs.

- **EBITDA** grew by DKK 93m or 16.2%. EBITDA growth was influenced by positive exchange-rate fluctuations and non-recurring items related to profit from the sale of assets. Adjusted for non-recurring items and exchange-rate fluctuations, EBITDA grew by DKK 51m, or 8.9%

  Organic growth in EBITDA was primarily driven by higher gross profit. Other external expenses declined mainly resulting from lower marketing spending, and savings from outsourcing, and were partially offset by higher acquisition costs. The decline in other external costs was roughly offset by increased costs for wages stemming mainly from bonuses and sales commissions.

Financial highlights DKKm

Sunrise	1Q 2010	1Q 2009	Change in %
Revenue	**2,513**	**2,405**	**4.5**
Landline telephony	859	799	7.5
Mobility services	1,427	1,377	3.6
Internet services	227	229	(0.9)
Transmission costs and cost of goods sold	(942)	(908)	(3.7)
Gross profit	**1,571**	**1,497**	**4.9**
Other external expenses	(682)	(698)	2.3
Wages, salaries and pension costs	(253)	(226)	(11.9)
Other income and expenses	30	0	-
EBITDA	**666**	**573**	**16.2**
EBITDA margin (%)	26.5	23.8	-

Selected operational data

Sunrise	1Q 2010	1Q 2009	Change in %
Customer base ('000)			
Landline customers	618	685	(9.8)
Mobile customers	1,878	1,784	5.3
Internet customers	356	350	1.7
Customer base, total	**2,852**	**2,819**	**1.2**
ARPU (CHF/month)			
Landline	42.5	39.7	7.1
Mobile voice	45.3	45.2	0.2
Broadband	37.9	39.9	(5.0)
Number of employees	**1,527**	**1,524**	**0.2**

Major corporate events

Annual General Meeting 2010

TDC's Annual General Meeting 2010 was held on March 4, 2010. Vagn Sørensen, Pierre Danon, Kurt Björklund, Lawrence Guffey, Oliver Haarmann, Gustavo Schwed and Andrew Sillitoe were re-elected as board members. Furthermore two new independent board members were elected:

- Søren Thorup Sørensen holds an MSc (Aud.) from Copenhagen Business School and is a State Authorized Public Accountant. He has also attended the Advanced Management Program at Harvard Business School. Søren Thorup Sørensen is CEO of KIRKBI.

- Lars Rasmussen holds a BSc from Aalborg University and an EMBA from SIMI, and is a member of the boards of Højgaard Holding A/S and MT Højgaard A/S. Lars Rasmussen is CEO of Coloplast A/S.

Pursuant to proposals from the Board of Directors, the Company's Articles of Association were amended. The amendments included changing the number of board members from "three to eight" to "three to ten" and the number of members of the Executive Committee from "two to seven" to "two to eight". Furthermore it was decided that the share value as of 10 May 2010 is changed from DKK 5 to DKK 1.

At a subsequent board meeting, the Board elected Vagn Sørensen as Chairman and Pierre Danon as Vice Chairman of the Board.

Vodafone Partnership

On March 30, 2010, TDC extended the strategic Nordic Partnership with Vodafone to include Sweden and Norway, in addition to an existing agreement covering Denmark.

Effective from April 1, 2010, the non-equity Partner Market agreement will allow both companies to better serve their respective customers within the Nordic region as well as internationally.

Sunrise Communications S.A.

On April 9, 2010, TDC and France Telecom issued a joint press release to notify, that following the completion of a confirmatory due diligence, they had signed a final agreement to combine their respective subsidiaries in Switzerland, Sunrise Communications S.A. and Orange Communication S.A.

The agreement is consistent with the terms of the transaction announced on November 25, 2009.

However, on April 22, 2010, TDC announced that, as a consequence of the Swiss Competition Commission’s rejection of the transaction, TDC and France Telecom would assess their available options regarding potential next steps.

Risk Factors

TDC's Annual Report as of February 9, 2010 contains a description of certain risks that could materially adversely affect TDC's business, financial condition, results of operations or cash flows. At the end of 1Q 2010, TDC only expects significant change in the risk regarding mobile termination prices in Switzerland.

Following formal requests regarding reduction of mobile termination prices in the Swiss market, Sunrise is currently involved in negotiations in this respect. If the negotiations fail to result in an agreement, the matter is likely to be filed with the Swiss authorities, who can impose a ruling requiring the mobile operators to lower their mobile termination prices. Thus, there is a risk that mobile termination prices in Switzerland may be lowered, either as a result of negotiations or a ruling by the authorities. In both events such reduced mobile termination prices could have retroactive effect from the date when the reduction was requested. This could materially adversely affect the company's earnings and profit margins.

Safe Harbor Statement

Certain sections of this report contain forward-looking statements that are subject to risks and uncertainties.

Examples of such forward-looking statements include, but are not limited to:

- statements containing projections of revenue, income (or loss), earnings per share, capital expenditures, dividends, capital structure or other net financials
- statements of our plans, objectives or goals for future operations including those related to our products or services
- statements of future economic performance
- statements of the assumptions underlying or relating to such statements.

Words such as "believes", "anticipates", "expects", "intends", "aims" and "plans" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements made by us or on our behalf.

These factors include, but are not limited to:

- changes in applicable Danish, Swiss and EU legislation, including but not limited to tax legislation
- increases in the interconnection rates we are charged by other carriers or decreases in the interconnection rates we are able to charge other carriers
- decisions by the Danish National IT and Telecom Agency whereby the regulatory obligations of TDC are extended
- increase in interest rates that would affect the cost of our interest-bearing debt which carries floating interest rates
- reduced flexibility in planning for, or reacting to, changes in our business, the competitive environment and the industry in which we operate as a result of contractual obligations in our financing arrangements
- developments in competition within domestic and international communications solutions
- introduction of and demand for new services and products
- developments in the demand, product mix and prices in the mobile market, including marketing and customer acquisition costs
- developments in the market for multimedia services
- the possibilities of being awarded licenses
- investments in and divestitures of domestic and foreign companies

We caution that the above list of important factors is not exhaustive. When relying on forward-looking statements to make decisions with respect to TDC, investors and others should carefully consider the foregoing factors and other uncertainties and events. Such forward-looking statements speak only as of the date on which they are made and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

Consolidated Financial Statements

Statements of Income DKKm

TDC Group	1Q 2010	1Q 2009	Change in %
Revenue	**9,062**	**8,899**	**1.8**
Transmission costs and cost of goods sold	(2,614)	(2,550)	(2.5)
Gross profit	**6,448**	**6,349**	**1.6**
Other external expenses	(1,845)	(1,923)	4.1
Wages, salaries and pension costs	(1,323)	(1,382)	4.3
Other income and expenses	65	50	30.0
Income before depreciation, amortization and special items (EBITDA)	**3,345**	**3,094**	**8.1**
Depreciation	(872)	(763)	(14.3)
Amortization	(859)	(745)	(15.3)
Impairment losses	(20)	(12)	(66.7)
Depreciation, amortization and impairment losses	**(1,751)**	**(1,520)**	**(15.2)**
Operating income (EBIT), excluding special items	**1,594**	**1,574**	**1.3**
Special items	(354)	(180)	(96.7)
Operating income (EBIT)	**1,240**	**1,394**	**(11.0)**
Income from joint ventures and associates	10	4	150.0
of which special items	10	0	-
Fair value adjustments	(12)	(414)	97.1
Currency translation adjustments	(448)	356	-
Financial income	94	484	(80.6)
Financial expenses	(506)	(818)	38.1
Net financials	(872)	(392)	(122.4)
Income before income taxes	**378**	**1,006**	**(62.4)**
Income taxes related to income, excluding special items	(203)	(259)	21.6
Income taxes related to special items	81	40	102.5
Total income taxes	**(122)**	**(219)**	**44.3**
Net income from continuing operations	**256**	**787**	**(67.5)**
Net income from discontinued operations	8	(338)	102.4
of which special items	8	0	-
Net income	**264**	**449**	**(41.2)**
Attributable to:			
Shareholders of the Parent Company	264	487	(45.8)
Minority interests	0	(38)	-
Net income from continuing operations, excluding special items	**519**	**927**	**(44.0)**
EPS (DKK)			
Earnings Per Share	1.3	2.5	(48.0)
Earnings Per Share, diluted	1.3	2.5	(48.0)

Statements of Comprehensive Income		**DKKm**
TDC Group	**1Q 2010**	**1Q 2009**
Net income	**264**	**449**
Currency translation adjustments, foreign enterprises	687	(407)
Actuarial gains/(losses) related to defined benefit pension plans	(860)	328
Income tax relating to components of other comprehensive income	215	(82)
Other comprehensive income	**42**	**(161)**
Total comprehensive income	**306**	**288**
Attributable to:		
Shareholders of the Parent Company	306	349
Minority interests	-	(61)
	306	**288**

Balance Sheets DKKm

TDC Group	March 31, 2010	December 31, 2009	March 31, 2009
Assets			
Non-current assets			
Intangible assets	49,856	49,550	52,693
Property, plant and equipment	20,164	19,998	22,261
Investments in joint ventures and associates	158	168	174
Other investments	7	7	9
Deferred tax assets	52	52	64
Pension assets [1]	6,769	7,606	7,389
Receivables	230	231	95
Derivative financial instruments	0	0	77
Prepaid expenses	257	243	221
Total non-current assets	**77,493**	**77,855**	**82,983**
Current assets			
Inventories	363	323	463
Receivables	6,412	6,758	7,307
Income tax receivables	2	2	7
Derivative financial instruments	91	49	172
Prepaid expenses	831	673	869
Cash	545	763	2,688
Assets held for sale	0	0	0
Total current assets	**8,244**	**8,568**	**11,506**
Total assets	**85,737**	**86,423**	**94,489**
Equity and liabilities			
Common shares	992	992	992
Reserves	43	(644)	(1,679)
Retained earnings	26,349	26,730	30,620
Proposed dividends	0	0	1,822
Equity attributable to Company shareholders	**27,384**	**27,078**	**31,755**
Minority interests	0	0	0
Total equity	**27,384**	**27,078**	**31,755**
Non-current liabilities			
Deferred tax liabilities	7,140	7,313	7,715
Provisions	1,651	1,519	1,524
Pension liabilities [1]	258	244	359
Loans	30,623	30,611	36,708
Derivative financial instruments	0	0	50
Deferred income	1,123	1,245	1,626
Total non-current liabilities	**40,795**	**40,932**	**47,982**
Current liabilities			
Loans	3,591	3,787	600
Trade and other payables	7,291	8,004	8,205
Income tax payable	1,304	1,270	688
Derivative financial instruments	1,348	1,205	1,597
Deferred income	3,259	3,183	3,071
Provisions	765	964	591
Liabilities concerning assets held for sale	0	0	0
Total current liabilities	**17,558**	**18,413**	**14,752**
Total liabilities	**58,353**	**59,345**	**62,734**
Total equity and liabilities	**85,737**	**86,423**	**94,489**

[1] The pension assets and pension liabilities are related to defined benefit plans and are measured on a net basis, defined as the fair value of the pension funds' assets less the present value of the expected pension payments. Pension assets are related to TDC's domestic defined benefit plans and pension liabilities are related to TDC's foreign defined benefit plans.

Statements of Cash Flows			DKKm
TDC Group	**1Q 2010**	**1Q 2009**	**Change in %**
Income before depreciation, amortization and special items (EBITDA)	3,345	3,094	8.1
Reversal of items without cash flow effect	(117)	23	-
Pension contributions	(59)	(62)	4.8
Payments related to provisions	(6)	(25)	76.0
Cash flow related to special items	(245)	(53)	-
Change in net working capital excl. special items	(750)	(99)	-
Cash flow from operating activities before net financials and tax	**2,168**	**2,878**	**(24.7)**
Interest paid, net	(251)	(330)	23.9
Realized currency translation adjustments	(399)	(228)	(75.0)
Cash flow from operating activities before tax	**1,518**	**2,320**	**(34.6)**
Corporate income tax paid	(155)	(101)	(53.5)
Cash flow from operating activities in continuing operations	**1,363**	**2,219**	**(38.6)**
Cash flow from operating activities in discontinued operations	0	215	-
Total cash flow from operating activities	**1,363**	**2,434**	**(44.0)**
Investment in enterprises	(254)	(314)	19.1
Investment in property, plant and equipment	(843)	(906)	7.0
Investment in intangible assets	(193)	(210)	8.1
Investment in other non-current assets	(1)	(1)	0.0
Investment in marketable securities	0	0	-
Divestment of enterprises	0	(1)	-
Sale of property, plant and equipment	17	12	41.7
Sale of intangible assets	0	0	-
Divestment of joint ventures and associates	1	(55)	101.8
Sale of other non-current assets	2	2	0.0
Sale of marketable securities	0	0	-
Change in loans to joint ventures and associates	0	0	-
Dividends received from joint ventures and associates	0	0	-
Cash flow from investing activities in continuing operations	**(1,271)**	**(1,473)**	**13.7**
Cash flow from investing activities in discontinued operations	(7)	(255)	97.3
Total cash flow from investing activities	**(1,278)**	**(1,728)**	**26.0**
Proceeds from long-term loans	0	2	-
Repayments of long-term loans	(45)	(4,188)	98.9
Change in short-term bank loans	(188)	(20)	-
Change in interest-bearing debt	0	1	-
Dividends to minority interests	0	0	-
Other changes in minority interests	0	0	-
Dividends paid	0	(213)	-
Withholding tax on dividends	(70)	0	-
Cash flow from financing activities in continuing operations	**(303)**	**(4,418)**	**93.1**
Cash flow from financing activities in discontinued operations	0	(318)	-
Total cash flow from financing activities	**(303)**	**(4,736)**	**93.6**
Total cash flow	**(218)**	**(4,030)**	**94.6**
Cash and cash equivalents (end-of-period)	**545**	**2,688**	**(79.7)**

Statements of Changes in Equity **DKKm**

TDC Group	Equity attributable to Company shareholders: Common shares	Reserve for currency translation adjustments	Retained earnings	Proposed dividends	Total	Minority interests	Total
Shareholders' equity at January 1, 2009	992	(1,295)	29,887	2,035	31,619	61	31,680
Net income	-	-	487	-	487	(38)	449
Currency translation adjustments, foreign enterprises	-	(384)	-	-	(384)	(23)	(407)
Actuarial gains/(losses) related to defined benefit pension plans	-	-	328	-	328	-	328
Income tax relating to components of other comprehensive income	-	-	(82)	-	(82)	-	(82)
Total comprehensive income	**-**	**(384)**	**733**	**-**	**349**	**(61)**	**288**
Distributed dividends	-	-	-	(213)	(213)	-	(213)
Shareholders' equity at March 31, 2009	**992**	**(1,679)**	**30,620**	**1,822**	**31,755**	**-**	**31,755**

TDC Group	Equity attributable to Company shareholders: Common shares	Reserve for currency translation adjustments	Retained earnings	Proposed dividends	Total	Minority interests	Total
Shareholders' equity at January 1, 2010	992	(644)	26,730	-	27,078	-	27,078
Net income	-	-	264	-	264	-	264
Currency translation adjustments, foreign enterprises	-	687	-	-	687	-	687
Actuarial gains/(losses) related to defined benefit pension plans	-	-	(860)	-	(860)	-	(860)
Income tax relating to components of other comprehensive income	-	-	215	-	215	-	215
Total comprehensive income	**-**	**687**	**(381)**	**-**	**306**	**-**	**306**
Distributed dividends	-	-	-	-	-	-	-
Shareholders' equity at March 31, 2010	**992**	**43**	**26,349**	**-**	**27,384**	**-**	**27,384**

Segment reporting **DKKm**

	Consumer		TDC Business		TDC Nordic		Operations & Wholesale	
	1Q 2010	**1Q 2009**	**1Q 2010**	**1Q 2009**	**1Q 2010**	**1Q 2009**	**1Q 2010**	**1Q 2009**
External revenue	2,048	2,015	1,833	1,914	894	815	833	922
Revenue across segments	343	379	109	121	54	63	(207)	(256)
Revenue	**2,391**	**2,394**	**1,942**	**2,035**	**948**	**878**	**626**	**666**
Total operating expenses before depreciation, etc.	(1,386)	(1,427)	(1,010)	(1,138)	(831)	(776)	(347)	(327)
Other income and expenses	1	2	0	0	1	4	8	17
EBITDA	**1,006**	**969**	**932**	**897**	**118**	**106**	**287**	**356**

	YouSee		Sunrise		Other activities[1]		Total	
	1Q 2010	**1Q 2009**	**1Q 2010**	**1Q 2009**	**1Q 2010**	**1Q 2009**	**1Q 2010**	**1Q 2009**
External revenue	943	832	2,511	2,403	0	(2)	9,062	8,899
Revenue across segments	48	17	2	2	0	3	349	329
Revenue	**991**	**849**	**2,513**	**2,405**	**0**	**1**	**9,411**	**9,228**
Total operating expenses before depreciation, etc.	(669)	(582)	(1,877)	(1,832)	(13)	(102)	(6,133)	(6,184)
Other income and expenses	1	1	30	0	24	26	65	50
EBITDA	**323**	**268**	**666**	**573**	**11**	**(75)**	**3,343**	**3,094**

[1] Includes Headquarters

Reconciliation of revenue, DKKm	**1Q 2010**	**1Q 2009**
Reportable segments	9,411	9,228
Elimination of across segment items	(349)	(329)
Consolidated amounts	**9,062**	**8,899**

Reconciliation of income before depreciation, amortization and special items (EBITDA), DKKm	**1Q 2010**	**1Q 2009**
EBITDA from reportable segments	3,343	3,094
Elimination of EBITDA	2	0
Unallocated:		
Depreciation, amortization and impairment losses	(1,751)	(1,520)
Special items	(354)	(180)
Income from joint ventures and associates	10	4
Net financials	(872)	(392)
Consolidated income before income taxes	**378**	**1,006**

Capital expenditures			DKKm
TDC Group	**1Q 2010**	**1Q 2009**	**Change in %**
Nordic Business incl. YouSee	856	977	12.4
Nordic Business excl. YouSee[1]	746	867	14.0
Hereof TDC Nordic	120	87	(37.9)
YouSee	110	111	0.9
Sunrise	195	149	(30.9)
Capital expenditures excl. share acquisitions	**1,051**	**1,126**	**6.7**

[1] As domestic infrastructure (excl. YouSee) is based in Operations & Wholesale, domestic capex cannot be allocated to the separate domestic business lines in Nordic Business, excl. YouSee.

Employees					EoP
Full-time equivalents	**1Q 2010**	**4Q 2009**	**1Q 2009**	**1Q10 vs. 1Q09**	**1Q10 vs. 4Q09**
Consumer[1]	2,144	2,160	2,234	(4.0)	(0.7)
TDC Business	1,568	1,528	1,646	(4.7)	2.6
TDC Nordic	1,441	1,437	1,620	(11.0)	0.3
of which in Denmark	155	153	151	2.6	1.3
Operations & Wholesale[2]	4,178	4,409	4,412	(5.3)	(5.2)
YouSee[3]	1,259	1,265	1,157	8.8	(0.5)
Sunrise	1,527	1,550	1,524	0.2	(1.5)
Others	470	478	557	(15.6)	(1.7)
of which in Denmark	466	471	546	(14.7)	(1.1)
TDC Group	**12,587**	**12,827**	**13,150**	**(4.3)**	**(1.9)**
TDC, domestic	**9,770**	**9,986**	**10,146**	**(3.7)**	**(2.2)**

[1] Includes Fullrate as of 2Q 2009 and M1 as of 1Q 2010.
[2] Includes Dong Fiber network as of 4Q 2009 and Unotel as of 1Q 2010
[3] Includes A+ as of 2Q 2009.

Selected financial and operational data, 2006-2010

TDC Group				After merger with NTC[1]			Before merger with NTC[1]
		1Q 2010	1Q 2009	2009	2008	2007	2006
Statements of Income	DKKm						
Revenue		9,062	8,899	35,939	35,609	36,779	38,452
Gross profit		6,448	6,349	25,790	25,176	25,573	26,654
Income before depreciation, amortization and special items (EBITDA)		**3,345**	**3,094**	**13,046**	**12,201**	**11,763**	**12,642**
Depreciation, amortization and impairment losses		(1,751)	(1,520)	(6,319)	(6,100)	(7,446)	(6,270)
Operating income (EBIT), excluding special items		**1,594**	**1,574**	**6,727**	**6,101**	**4,317**	**6,372**
Special items		(354)	(180)	(1,187)	(3,070)	503	(312)
Operating income (EBIT)		**1,240**	**1,394**	**5,540**	**3,031**	**4,820**	**6,060**
Income from joint ventures and associates		10	4	76	200	266	449
Net financials		(872)	(392)	(1,882)	(1,719)	(2,401)	(2,668)
Income before income taxes		**378**	**1,006**	**3,734**	**1,512**	**2,685**	**3,841**
Income taxes		(122)	(219)	(987)	(588)	326	(816)
Net income from continuing operations		**256**	**787**	**2,747**	**924**	**3,011**	**3,025**
Net income from discontinued operations[2]		8	(338)	(364)	(367)	621	420
Net income		**264**	**449**	**2,383**	**557**	**3,632**	**3,445**
Attributable to:							
Shareholders of the Parent Company		264	487	2,424	708	3,912	3,448
Minority interests		0	(38)	(41)	(151)	(280)	(3)
Net income, excluding special items							
Operating income (EBIT)		**1,594**	**1,574**	**6,727**	**6,101**	**4,317**	**6,372**
Income from joint ventures and associates		0	4	(1)	222	342	439
Net financials		(872)	(392)	(1,882)	(1,719)	(2,401)	(2,668)
Income before income taxes		**722**	**1,186**	**4,844**	**4,604**	**2,258**	**4,143**
Income taxes		(203)	(259)	(1,278)	(867)	123	(1,083)
Net income from continuing operations		**519**	**927**	**3,566**	**3,737**	**2,381**	**3,060**
Net income from discontinued operations[2]		0	(338)	(264)	(426)	(683)	425
Net income		**519**	**589**	**3,302**	**3,311**	**1,698**	**3,485**

TDC Group				After merger with NTC[1]			Before merger with NTC[1]
		1Q 2010	1Q 2009	2009	2008	2007	2006
Balance Sheets	DKKbn						
Total assets		85.7	94.5	86.4	100.0	106.1	79.0
Net interest-bearing debt		(33.5)	(34.5)	(33.5)	(34.9)	(41.5)	(55.2)
Total equity		27.4	31.8	27.1	31.7	32.2	2.0
Average number of shares outstanding (million)		198.1	198.1	198.1	198.1	198.1	198.0
Statements of Cash Flow	DKKm						
Operating activities		1,363	2,434	10,619	7,163	9,871	10,141
Investing activities		(1,278)	(1,728)	(6,314)	600	7,886	(989)
Financing activities		(303)	(4,736)	(10,260)	(9,342)	(13,199)	(15,760)
Total cash flow		**(218)**	**(4,030)**	**(5,955)**	**(1,579)**	**4,558**	**(6,608)**
Operating free cash flow	DKKm						
Operating free cash flow		1,377	1,815	8,797	7,132	7,283	6,848
Capital expenditures	DKKm						
Capital expenditures excluding share acquisitions		(1,051)	(1,126)	(4,950)	(4,710)	(4,837)	(5,090)
Key financial ratios							
Earnings Per Share (EPS)	DKK	1.3	2.5	12.2	3.6	19.7	17.4
EPS from continuing operations, excl. special items	DKK	2.6	4.7	18.0	18.9	12.0	15.4
Dividend payments per share	DKK	0.0	9.0	39.3	3.6	3.5	223.9
EBITDA margin	%	36.9	34.8	36.3	34.3	32.0	32.9
Capex, excluding share acquisitions-to-revenue ratio	%	11.6	12.7	13.8	13.2	13.2	13.2
EBITDA - Capex	DKKm	2,294	1,968	8,096	7,491	6,926	7,552
Cash conversion	%	41.2	58.7	67.4	58.5	61.9	54.2
Net debt/EBITDA	x	2.5	2.8	2.6	2.9	3.5	4.4
EBITDA/interest	x	8.1	9.3	8.8	6.9	3.9	4.8
Customer base (end-of-period)	('000)						
Landline		2,622	2,778	2,680	2,890	2,844	3,102
Mobile		5,536	5,009	5,484	4,922	4,406	6,194
Internet		1,945	1,800	1,946	1,825	1,791	1,754
Other Networks and data connections		308	383	308	380	310	189
TV customers		1,270	1,167	1,249	1,140	1,105	1,062
Total customers		**11,681**	**11,137**	**11,667**	**11,157**	**10,456**	**12,301**
Domestic dual play bundles		254	110	213	0	0	0
Domestic triple play bundles		96	18	86	0	0	0
Full-time employee equivalents		**12,587**	**13,150**	**12,827**	**13,246**	**15,975**	**17,466**

[1] The 2007-2010 figures reflect the merger of TDC and NTC (Nordic Telephone Company ApS), with TDC as the surviving company. In order to show a meaningful comparison, the 2006 figures do not reflect the merger, as TDC was not acquired by NTC until February 1, 2006. Such figures would therefore not include the operations of TDC for the full years 2006. The 2006 figures for TDC 'before merger with NTC' represent TDC's operations on a full-year basis before the merger, i.e. excluding administrative expenses in NTC and excluding the impacts from NTC's purchase-price allocations adjustments in connection with the acquisition of TDC.

[2] The operations of the following enterprises are presented as discontinued operations for the period 2006-2010: Invitel (divested in 2009), Talkline (divested in 2007) and TDC Directories (divested in 2006). Other divestments are included in the respective accounting items during the ownership.

Management Statement

The Board of Directors and the Executive Committee have reviewed and approved the Financial Statements of the TDC Group for 1Q 2010.

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

In our opinion, the Financial Statements present fairly, in all material respects, the Group's assets, liabilities and financial position at March 31, 2010 as well as the results of its operations and cash flows for 1Q 2010. Furthermore, in our opinion, the Financial Statements provide a fair review of the developments in the Group's activities and financial position, and describe the significant risks and uncertainties that may affect the Group.

Executive Committee

Henrik Poulsen
President and Chief Executive Officer

Eva Berneke
Senior Executive Vice President, Chief HR and Strategy Officer

Niels Breining
Senior Executive Vice President and Chief Executive Officer, YouSee A/S

Carsten Dilling
Senior Executive Vice President and Chief Executive Officer, Operations & Wholesale

Jesper Theill Eriksen
Senior Executive Vice President and Chief Executive Officer, Consumer

Martin Lippert
Senior Executive Vice President and Chief Executive Officer, TDC Business

Jens Munch-Hansen
Senior Executive Vice President and Chief Executive Officer, TDC Nordic

Jesper Ovesen
Senior Executive Vice President and Chief Financial Officer

Board of Directors

Vagn Sørensen
Chairman

Pierre Danon
Vice Chairman

Lars Rasmussen

Søren Thorup Sørensen

Kurt Björklund

Lawrence Guffey

Oliver Haarmann

Gustavo Schwed

Andrew Sillitoe

Leif Hartmann

Steen M. Jacobsen

Jan Bardino

Bo Magnussen

About TDC

TDC is the leading provider of communications solutions in Denmark and has a strong Nordic focus. In the Nordic region, TDC has five business units: Consumer, TDC Business, TDC Nordic, Operations & Wholesale and YouSee. TDC's activities outside the Nordic Region include Sunrise, a leading telecommunications provider in Switzerland. TDC was partly privatized in 1994 and fully privatized in 1998. Angel Lux Common S.A. owns 87.9% of TDC, with the remainder of the shares held by individual and institutional shareowners.

TDC A/S
Teglholmsgade 1 - 3
0900 Copenhagen C

www.tdc.com

For more information, please contact 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 5.
ISIN DK0010253335.

Glossary and definitions

2.5 GHz refers to the frequency band covering the range 2500-2690 MHz. The 2.5 GHz band is being distributed to mobile operators via an auction scheduled to take place in April/May 2010. The 2.5 GHz band is well suited for the launch of an LTE service, as it does not currently carry any other traffic, and as the LTE equipment currently supports only 2.5 GHz frequencies.

Add-on service refers to any extra service that may be added to the basic offering.

ARPU refers to Average Revenue per User, and is stated per month. TDC calculates ARPU for a given product group as its total revenue divided by the average customer base in the period.

Broadband refers to data communication forms of a certain bandwidth that depending on the relevant context is perceived to be significantly high or 'wide' in terms of information-carrying capacity. The most common broadband technologies are cable modem, DSL, mobile broadband and optical fiber. TDC applies NITA's definition in which broadband implies bandwidths higher than 144 kbps.

Cash conversion as defined by TDC, refers to the proportion of EBITDA that is converted into operating free cash flow. For the purposes of TDC, this is defined as the operating free cash flow divided by EBITDA.

Churn rate refers to the percentage of yearly customer turnover, e.g. wireless subscribers are said to churn when they cancel their mobile service with their current wireless provider (and either move to a different provider or simply choose not to have a wireless service). TDC calculates churn by dividing the gross decrease in the number of customers for a period by the average number of customers for that period. The average number of customers for a period is calculated by adding together the number of customers at the beginning of the period, the number of customers at the end of each intermediate month, the number of customers at the end of the period and dividing the previous term by the number of intermediate months plus 2. Different telcos calculate churn using different methods.

Copper line loss refers to the net loss of copper lines in a given period in the TDC Group, including Wholesale lines. The number of copper lines is calculated as the sum of customers provided with PSTN, ISDN, VoIP, naked-BSA/xDSL and full ULL products and services.

Copper RGU loss refers to the net loss of copper RGUs in a given period in the TDC Group, including Wholesale RGUs. The total number of RGUs is calculated as the sum of PSTN, ISDN, VoIP, BSA/xDSL, TV and full ULL customers.

Content service refers to a service, typically in terms of information or entertainment, broadcasted or provided on-line.

Customer base refers to the end-of-period customers and includes customers with subscriptions and customers without subscriptions according to the following general principles: Landline customers who have generated traffic in the previous month; Mobile customers active within the last 3 months; Internet customers active within the last 3 months. TDC's customer statement includes the number of main products sold by TDC's residential, business and wholesale divisions. An individual buying the HomeTrio offer will therefore enter into the customer statement as three customers. Moreover, an enterprise with 100 mobile voice subscriptions from TDC will be included as 100 customers in the customer statement. As regards wholesale customers, a broadband provider with 20,000 Bit Stream Access (BSA) connections from TDC will be included as 20,000 customers in the customer statement. In contrast, additional supplementary products such a digital TV services, in addition to the cable-TV subscriptions, are not included in the customer statement. For Other Networks and Data connections, the customer category that is part of TDC's customer base includes ULL, leased lines, fiber and data connection customers. Mobile broadband customers include mobile data cards and mobile broadband customers. Dual- and triple-play bundles are included as two and three customers, respectively, in the total customer figures. All Fullrate xDSL customers are included as dual-play customers. The term 'customer' does not reflect the number of actual end-users, e.g. an ISDN30 connection counts only as one customer in TDC's customer base even though this product may involve 30 end-users. The concept 'customer base' in TDC Nordic differs from that used elsewhere in that it denotes the number of landline and internet sites counted rather than the number of products.

CVR or Det Centrale Virksomhedsregister refers to a central registry of Danish businesses. The abbreviation, followed by an eight digit number, is used as a unique identifier of any company incorporated under Danish jurisdiction.

Dial-up refers to an internet connection that uses a traditional landline connection.

DOCSIS or Data over Cable Service Interface Specification refers to communications and operation support interface requirements for a data-over-cable system. It permits the addition of high-speed data transfer to an existing cable TV (CATV) system. Three international DOCSIS standards have been adopted: DOCSIS 1.1, DOCSIS 2.0 and DOCSIS 3.0.

DSL or *Digital Subscriber Line* refers to a technology that enables a local-loop copper pair to transport high-speed data between an exchange building and the customers' premises.

EBITDA refers to the earnings before interest, tax, depreciation and amortization.

EBITDA margin refers to the ratio between EBITDA and revenue.

Employees (number of) refer to end-of-period full-time employee equivalents, including permanent employees and trainees.

Ethernet refers to a type of networking technology for LANs and is increasingly used in the IP networks.

Fiber Optics Communication or *Fiber* refers to a technology used to transmit telephone signals, internet communications, and cable television signals. Due to much lower loss of intensity and interference, optical fiber has advantages over existing copper wire in long-distance and high-demand applications.

Flat-rate refers to a price-structure that charges a single fixed fee for a service, regardless of usage.

Homes passed refers to households where a particular technology (e.g. Fiber or Coax) has been rolled out enabling the reception of services associated with that technology. It follows that the number of homes passed constitutes the sum of actual and potential Group customers for the given service.

Incumbent refers to the existing telecommunications company often first established as a monopoly.

Interconnection refers to the process of connecting a telephone call to another operator's network. This connection is accompanied by an interconnect rate which must be paid to the operator for the use of that operator's network.

International roaming is a means of accessing a foreign operator's network that enables customers to automatically make and receive voice calls, send and receive data, or access other services, when traveling abroad. Operators in various countries will have to arrange mutual cross-border covenants to facilitate such roaming.

IP or *Internet Protocol* refers to a standard protocol whereby internet-user data is divided into packets to be sent onto the correct network pathway. In addition, IP gives each packet an assigned number so that the message completion can be verified. Before packets are delivered to their destination, the protocol carries unifying procedures so that they are delivered in their original form.

ISDN or *Integrated Services Digital Network* refers to a means of providing more channels of 64 kbps over the existing regular phone line, which can be used for either integrated voice and data or solely data transmission. An ISDN modem is necessary to connect to the network. The ISDN technology enables 2-30 channels on the same line.

LTE or *Long Term Evolution* refers to the latest generation of mobile networks – sometimes referred to as 3.8G or 4G – that can deliver data and multimedia content at significantly higher speed than the 3G network.

Market shares shown in TDC's Annual Report are based mainly on internal TDC estimates. Among other sources, TDC uses NITA's telecoms statistics to estimate the total market. TDC also uses NITA's differentiation between business and residential markets. End users with CVR numbers are included as business customers, whereas end users without CVR numbers are included as residential customers.

Mbps refers to megabits per second.

Mobile termination refers to the delivery of traffic to a mobile operator for the purpose of terminating the relevant traffic to any end-user who is connected to the operator's network. The mobile termination service covers all type of calls to a mobile handset, including calls from landline network, calls from another mobile network or international calls.

MVNO or *Mobile Virtual Network Operators* refers to a mobile operator that does not own its own spectrum but to some extent has its own network infrastructure. MVNOs have business arrangements with traditional mobile operators to buy traffic and data for sale to their own customers.

NITA refers to the Danish National IT and Telecom Agency (in Danish, IT- og Telestyrelsen).

No-frills refers to a service or product where non-essential features have been removed to keep the price low.

Operating free cash flow as defined by TDC refers to the sum of EBITDA, adjustments for items with no cash flow effect, pension contributions, payments related to provisions, change in net working capital and cash flow related to Capex.

Postpaid refers to subscriptions that are paid for at the beginning of the period, whereas the usage charge, which varies depending on the tariff plan selected by the subscriber, is paid at the end of the period.

Prepaid refers to when the customer pays for a specified amount of credit for services upfront. The credit then diminishes as the customer uses the service.

PSTN or *Public Switched Telephone Network* refers to the telecommunications network based on copper lines carrying analog voice data - traditional landline telephony.

RGU or *Revenue Generating Unit* refers to the total number of customer relationships that generate revenue for TDC. Copper RGUs reflect the total number of customer relationships on the copper network, see also customer base.

SoHo or *Small Office/Home Office* refers to a category of businesses which is defined by, among others, being fewer than two employees and with limited revenue during the last year (< DKK 30,000).

ULL or *Unbundled Local Loop* refers to raw copper lines to which competing carriers have been granted access by the incumbent operator, allowing such alternative carriers to offer data transmission capacity and/or telephony to the incumbent’s subscriber base.

VoIP or *Voice over Internet Protocol* refers to a telephone call over the internet.

xDSL is a family of technologies that provides digital data transmission over copper wires. See also ADSL, VDSL and SHDSL.